

Flamingo



Michael Assraf
CEO & Co-Founder

AI and Open-Source Tech-Enabled MSP Roll-Up

Flamingo Is Led by a Seasoned and Successful Entrepreneur



Michael Assraf

CEO & Co-Founder

Ex-CEO & Founder of Vicarius

Grew a startup from \$0 to \$9M ARR, 500+ customers, 80+ employees, 200+ partners, and secured \$56M in five funding rounds.

Extensive experience with MSPs, product & fundraising.

- Extensive experience in product leadership
- Skilled in managing and optimizing offshore teams
- Proficient in deploying and utilizing open-source projects
- Proven track record in fundraising
- Deep familiarity with MSP partnerships and operations
- Expertise in go-to-market strategies for small and mid-sized markets

MSPs Provide Outsourced IT and Security Services to SMBs

Provide **IT and security services** to 300K-400K SMBs in the US, most with **under 30 employees**

Serve SMBs

Resell software products and provide continuous IT and security support

Service Types

Business Profile

MSPs act as generalists, **offering broad IT services**, unlike MSSPs that specialize in cybersecurity

MSPs != MSSPs

MSP clients are **brand agnostic** and lack the time or expertise to assess software brands

Brand-Agnostic Clients

Speciality and Clients

Generates **\$83 billion annually**, growing at 12% per year, with most MSPs being **profitable**

Growing Industry

30K-40K US MSPs, most generate less than \$3M employe less than 15 FTEs

Fragmented Market

MSP Overall Market

MSPs Are Struggling with Low Margins Due to High Costs and Inefficiency

Vendor Software Costs

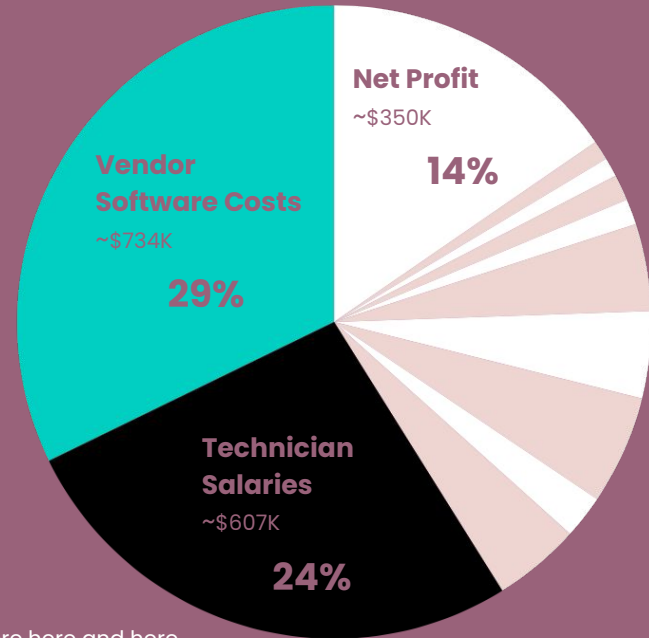
RMM, security, and automation tools account for 20% to 35% of total revenue.

Labor-Intensive Processes

Technician salaries account for 20% to 30% of total revenue.

Fragmented Tech Stacks

Disconnected tools lead to inefficiencies and increased labor costs.



Read more [here](#) and [here](#)

Open Source IT & Security Projects Have Just Recently Reached Closed-Source Quality

MSPs Are Already Adopting Open Source to Boost Margins



Fleet MDM

Endpoint Management



Authentik

IAM & SSO

Many MSPs are turning to open-source for SSO, IAM, and other tools to reduce vendor costs and increase margins.

We Have Mapped Out and Analyzed the Entire MSP Tech Backbone



Google Workspace

Productivity Suite



Office 365

Productivity Platform

We've analyzed the full tech stack that typical MSPs use, including RMM, PSA, ticketing, and security tools.

Read more [here](#)

Replacing the Tech Backbone with a Unified Open-Source MSP OS



Tenzir

Data Pipeline



Shuffle

IT & Security Automation

By orchestrating open-source solutions, Flamingo offers a unified platform for most MSP operational needs.

Read more [here](#) and [here](#)

Unifying Business and IT/Security Data to Accelerate Automated Problem Detection and Remediation

Tech Operation

Unifying a Scattered Tech Stack with a Single Data Fabric, API, and Automation Engine Enables Faster, Consistent Responses to Issues

↑ Increasing NOC/SOC Efficiency

↓ Reducing Expenses on Tools like SIEM and SOAR

Read more [here](#)

Internal Operation

Integrating Business Data into a Unified Data Fabric to Enable Custom AI Copilots Across All Functions, from HR to M&A

↑ Enhanced Quality in Internal Operations

↓ Lowering OPEX with Copilots and Automation

Read more [here](#)

**OpenFrame
Core**

Unified Data Fabric for IT/Security, Customer, and Business Data

1 Data Integration

Anomaly and Problem Detection Across All Business Functions

2 Data Analysis

Custom Dashboards and Copilots to Automate Routine Tasks and Reduce Labor

3 Data and API Interaction

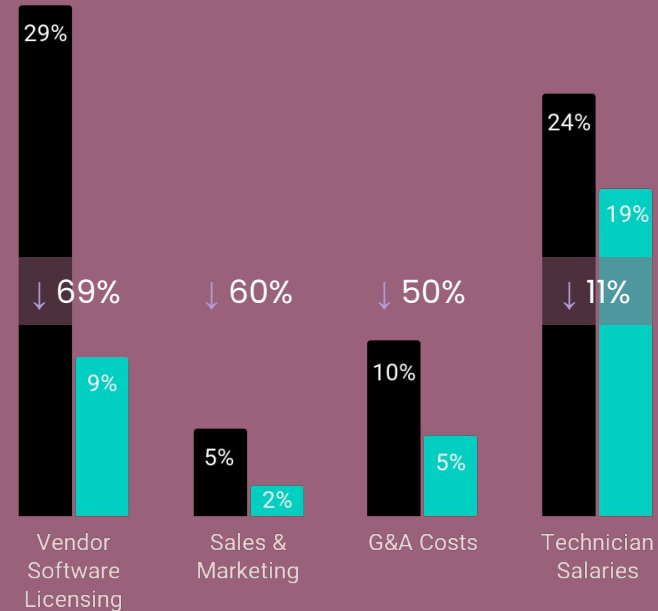
Combining AI and Open Source Can Maximize MSP Margins and Reduce Costs

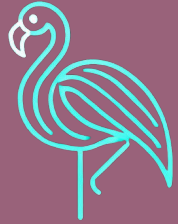
Cut Vendor Payouts with Open Source

Integrate multiple open-source projects, cutting vendor fees and turning fixed costs into flexible savings.

AI-Driven Labor Cost Reduction

Use AI to aggregate data and automate tasks, cutting costly technician hours.

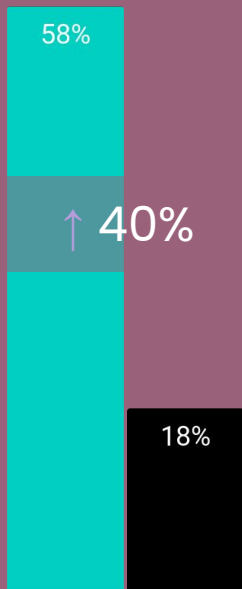




Flamingo

Redefining the MSP Industry with
AI-Driven Automation and
Open-Source Integration for
Unparalleled Efficiency

Flamingo Combines Custom Software with High-Quality Services to Serve SMBs



EBITDA Margin

Read more [here](#)

Open Source and AI

By unifying and orchestrating open-source tools through a single data model, the software enables seamless automation.

High-Margin, Scalable

The integrated model offers superior services with higher margins, positioning Flamingo as a scalable, high-profit solution.

AI-Assisted Services

Flamingo uses AI-driven software and a service team to deliver high-quality support while automating clients' manual tasks.

M&A Strategy

We accelerate growth and lower CAC by acquiring established MSPs, gaining immediate access to their clients and revenue.

We Combine AI, Open-Source, and Human Expertise to Deliver Quality Service and Maximize Margins

OpenFrame

Tech Arm

Proprietary AI and
Open-Source
Integration

MOAT

Reduces Vendor
Payouts by ↓ 69%

Impact

Acts as the software brain, unifying open-source projects under a single AI-driven data layer. This allows us to normalize data, detect anomalies, and implement automation across the stack.

OpenMSP

Services and M&A Arm

Unified Automated
BizOps, SOC, NOC

MOAT

Reduces Labor
Costs by ↓ 11%

Impact

Uses AI-assisted analysis and orchestration to deliver high-quality services. By integrating acquired MSPs, we achieve a unified data layer that optimizes service delivery through AI automation.

Beyond Our Direct MSP Connections, We Performed In-Depth Research to Substantiate Our Assumptions

The Four Key Tenets of Our Paradigm

Top MSP Costs

Vendor payouts and technician salaries are the largest expenses for MSPs.

Open Source is Good Enough

Replacing commercial products with open source reduces vendor costs and cuts COGS.

AI-Driven Labor Optimization

AI effectively lowers labor costs, cutting COGS.

MSP Roll-Up Strategy

MSP roll-up streamlines operations and reduces OPEX.

Our technician salaries and vendor payouts are two of our biggest expenses. It feels like we're working to pay vendors rather than growing our bottom line.

West Coast-Based MSP

Switching to open-source alternatives replaced several commercial products, cutting our vendor costs. AI automation allowed us to manage the same workload with fewer technicians.

East Coast-Based MSP

Consolidating MSPs helped us reduce unit costs and boost revenue per client. While we managed to negotiate lower prices on vendor licenses, open source with reliable support could really disrupt this space.

Former MSP Owner, Now Part of a Leading MSP Platform

AI-Driven Efficiency and Reduced Vendor Costs Empower Us to Capture a Large Share of the Market

Entire US MSP Market [Read more here](#)

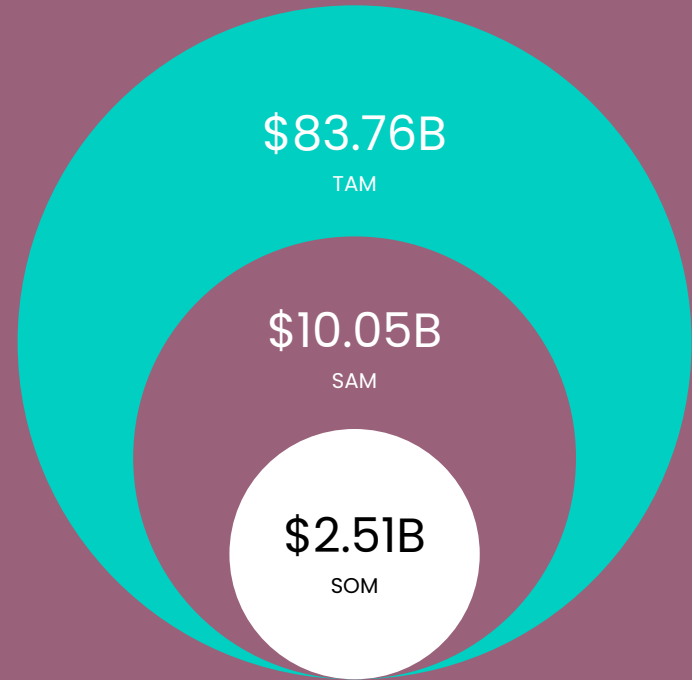
The US MSP market is \$83.76B, growing 12% yearly, with 30K-40K entities and a 0.5%-1% capture potential in 5 years.

Small-Medium South East MSPs [Read more here](#)

We target small to medium MSPs, 60% of south east's 20% share in the US market.

Inefficient MSPs [Read more here](#)

We target the 20% to 30% of highly inefficient small to medium MSPs.



We're Targeting MSPs Serving Brand-Agnostic Clients and Microsoft-Centric Environments

Targeting MSPs serving brand-agnostic clients

- Microsoft Shops
- Revenue < \$3M
- EBITDA < 17%
- FTEs < 15
- 20-30 Seats Clients

Read more [here](#)

MSPs that serve brand-agnostic SMBs

~9K Potential MSP targets

MSP from Miami

Owner wants to retire [here](#)

MSP from Florida

Owner wants to retire [here](#)

MSP from NY

Owners wish to stay [here](#)

MSPs serving SMBs without dedicated IT or security functions

38% of SMBs don't have IT and security function

Read more [here](#)

MSPs specializing in Microsoft-centric environments

67% of SMBs are Windows shops

Read more [here](#)

Consistent and Rapid M&A Strategy with Low Customer Acquisition Costs

Acquire small to mid-sized MSPs in a certain region and boost their EBITDA margin from 20-30% to 58%.

MSP Valuation

MSP valuation is typically 4x-5x EBITDA, with a 22% average EBITDA rate, translating to a 1:1 revenue multiple.

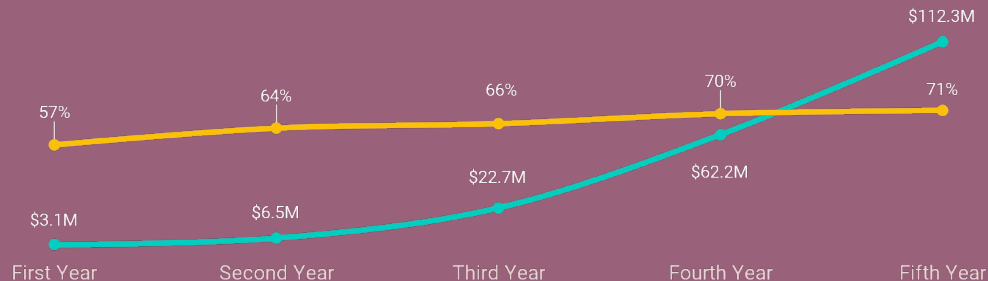
CAC

Economy of Scale

Unifying SOC and NOC across MSPs cuts unit costs and boosts gross margins as market dominance grows.

Valuation Uplift

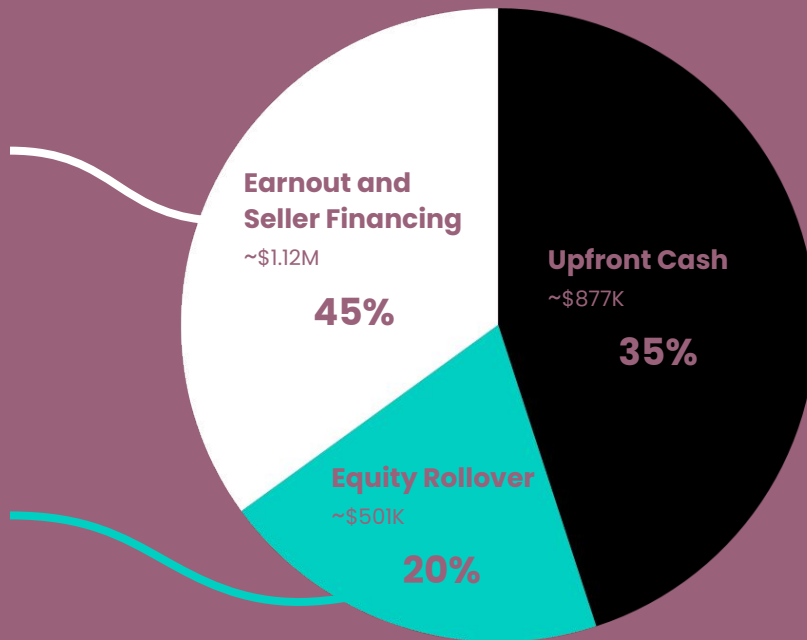
Boost gross margin to 71%, doubling the EBITDA multiplier to 9x-10x.



Accelerating Expansion with Non-Dilutive Capital for MSP Acquisitions

Earnout and Seller Financing
Defers payment based on performance, reducing upfront capital and sharing risk with sellers.

Equity Rollover
Encourages MSP owners to retain stakes, lowering upfront costs and aligning incentives.



Upfront Cash
Uses traditional debt for acquisitions, preserving equity and repaying through predictable cash flows.

Read more [here](#), [here](#), and [here](#)

We Outperform PEs, and MSP Platforms with Superior Software Efficiency and Assisted Labor

Private Equity

COURT
SQUARE

FFL
PARTNERS

Cross-Sector Vertical

Roll-Up

Reduces Admin Expenses

Direct Impact

Modestly Reduced OPEX

PnL Impact

Acquiring diverse businesses
within the same vertical,
including MSPs

Strategy

MSP Platform

THRIVE

Ntiva

Consolidation

Roll-Up

Reduces Unit Cost

Direct Impact

Modestly Reduced COGS

PnL Impact

Acquiring small to
medium-sized MSPs across
diverse regions

Strategy

Flamingo



Tech-Enabled

Roll-Up

Cuts Vendor and Labor Costs

Direct Impact

Doubles COGS+OPEX Efficiency

PnL Impact

Developing an MSP software for
deployment across multiple
acquired entities

Strategy

We Are Raising \$4 Million to Build Our Technology and Prove Our Optimization Model

OpenFrame

→ 10–15 FTEs over 24 months to build the MSP tech backbone.

→ R&D and G&A budget allocated for both arms is here.

OpenMSP

→ \$2M allocated for the acquisition of our first MSP.

→ Second MSP via non-dilutive funding.



Flamingo: The Future of MSPs

Experienced Leadership Founders with deep MSP expertise driving strong growth potential.

AI & Open-Source Efficiency Leveraging AI and open-source tools to cut costs and boost margins.

Equity-Efficient Growth Non-dilutive financing model ensures rapid, scalable expansion with minimal dilution.



Michael Assraf

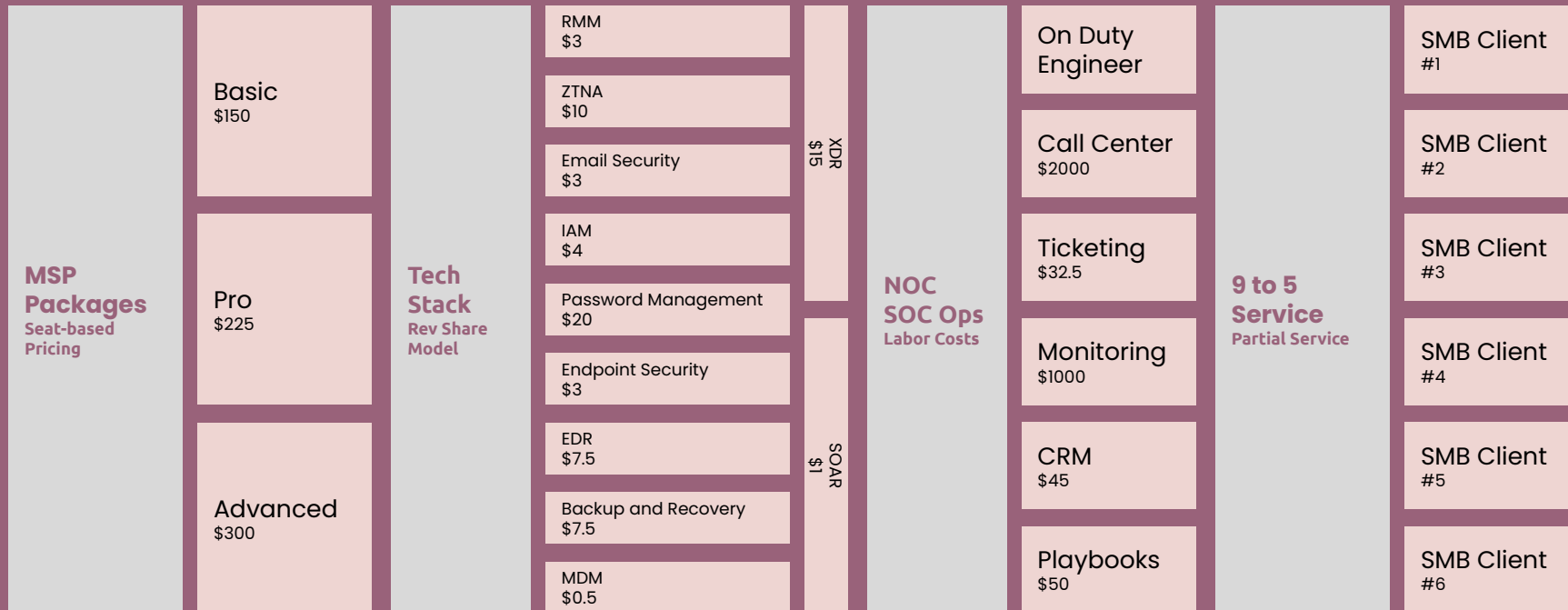
CEO and Co-Founder

michael@flamingo.cx | flamingo.cx

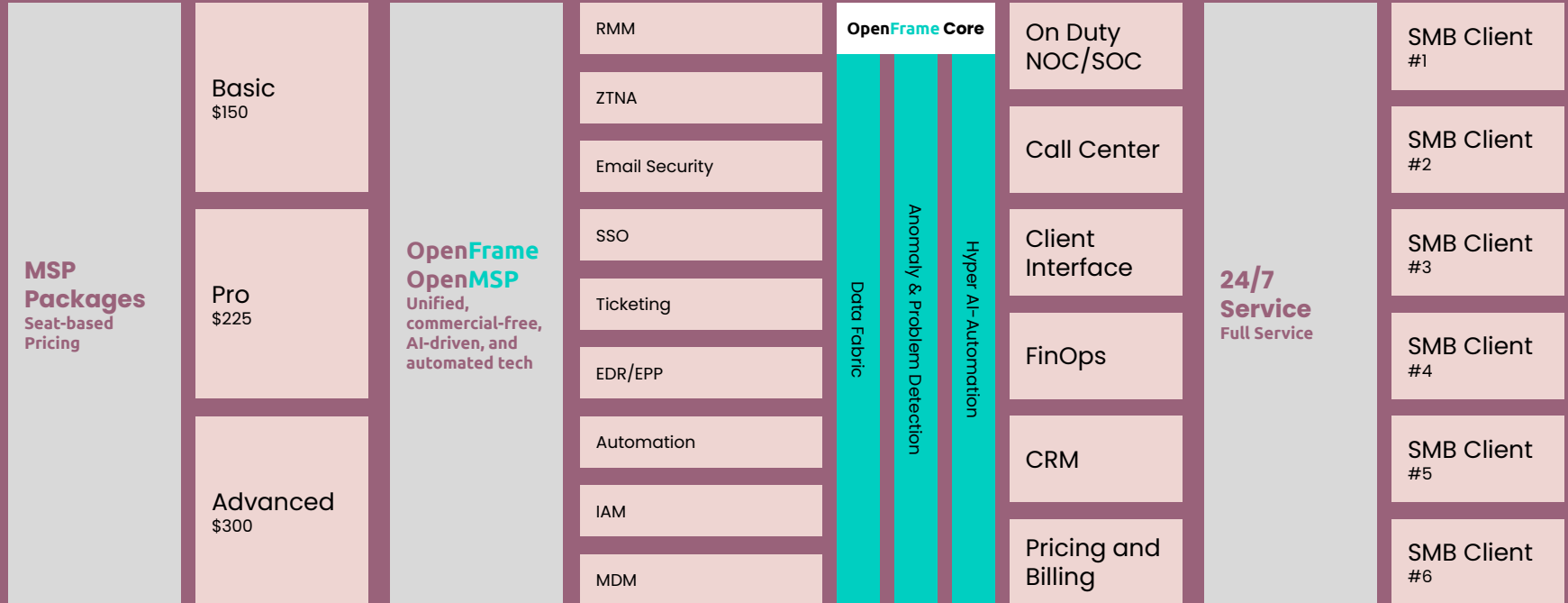
+1 347-407-6135

Appendices

The Current MSP Tech Stack: Challenges and Opportunities



The Future of MSPs: Unified, AI-Driven, and Open-Source



Understanding the Cost Structure and Margin Pressures in MSPs

<div>NOC</div> <div>Network Operations Center</div> <div>COGS</div>	Remote Monitoring and Management (RMM)	\$6	<div>SOC</div> <div>Security Operations Center</div> <div>COGS</div>	Endpoint Security (Antivirus/EPP)	\$60.6	<div>IT</div> <div>Information Technology</div> <div>COGS</div>	Mobile Device Management (MDM)	\$49
	Network Management and Monitoring	Per endpoint per month		Endpoint Detection and Response (EDR)	Per endpoint per month		Collaboration Tools	per endpoint per month
	Patch Management			Extended Detection and Response (XDR)			Virtualization Platforms	
	Remote Access and Support Tools			Security Information and Event Mgmt. (SIEM)			Cloud Backup Solutions	
	Automation and Scripting			Email Security			Backup and Disaster Recovery (BDR)	
<div>Ops</div> <div>Operations Overhead</div> <div>OPEX</div>	Billing and Invoicing	\$182.5		Managed Detection and Response (MDR)			Cloud Services and SaaS	
	Helpdesk and Ticketing Systems	per MSP employee per month		Identity and Access Management (IAM)				
	Professional Services Automation (PSA)			Remote Access (Secure Remote Access for SOC)				
	Customer Relationship Management (CRM)			Zero Trust Network Access (ZTNA)				
	Documentation and Password Management							

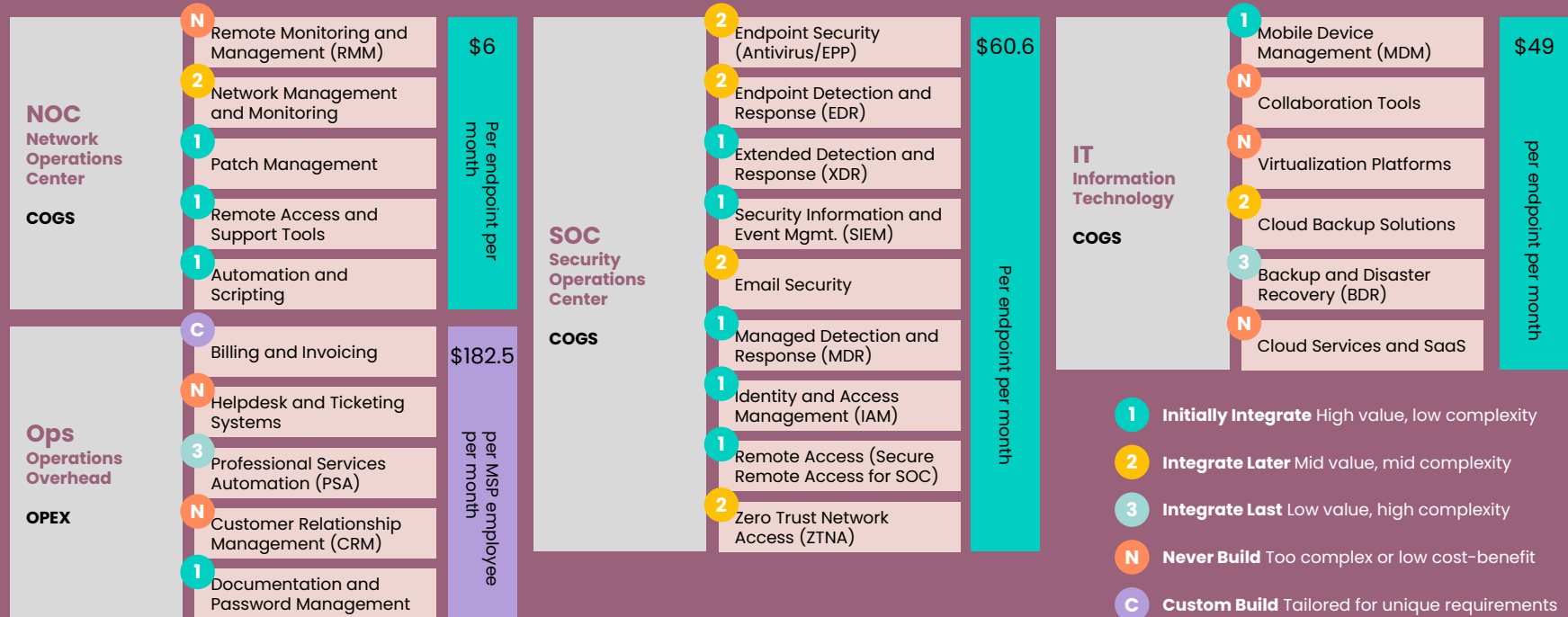
Read more [here](#)

We Have Conducted Extensive Research into Open-Source Alternatives

Automation and Scripting	Shuffle	1	Backup and Disaster Recovery (BDR)	Amanda	3	Cloud Backup Solutions	Syncthing	2	Documentation and Password Management	Bitwarden	1
	StackStorm			Bareos			Duplicity			Documize CE	1
	Salt Project			Bacula			Restic			KeePass	
	Ansible			Clonezilla			BorgBackup			Passbolt	
Email Security	Rspamd	2	Endpoint Detection and Response (EDR)	Osquery	2	Endpoint Security (Antivirus/Anti-Malware/EPP)	Wazuh	2	Extended Detection and Response (XDR)	Sigma	1
	SpamAssassin			GRR	2		ClamAV			OpenEDR	
	Proxmox			Wazuh			Lynis			HELK	
	MIMEDefang			Velociraptor			RKHunter				
Identity and Access Management (IAM)	Authentik	1	Managed Detection and Response (MDR)	TheHive	1	Mobile Device Management (MDM)	Fleet MDM	1	Network Management and Monitoring	Netdata	2
	OpenAM			MISP			MicroMDM			Zabbix	
	FreeIPA			Zeek			Headwind MDM			Cacti	
	Gluu			Security Onion			Flyve MDM			Icinga	
Patch Management	Chocolatey	1	Professional Services Automation (PSA)	NineMinds	3	Remote Access (Secure Remote Access for SOC)	Teleport	1	Remote Access and Support Tools	Guacamole	1
	Homebrew	1		Odoo			OpenVPN			Remmina	
	Foreman			Dolibarr			WireGuard			TigerVNC	
	Puppet			Kimai			StrongSwan				
			Remote Monitoring and Management (RMM)	OpenNMS	N	Security Information and Event Management (SIEM)	Tenzir	1	Zero Trust Network Access (ZTNA)	FerrumGate	2
				Pandora FMS			Graylog			Pomerium	
				Observium			Prelude SIEM			OpenZiti	
				LibreNMS			Grafana Loki			Teleport	

Read more [here](#)

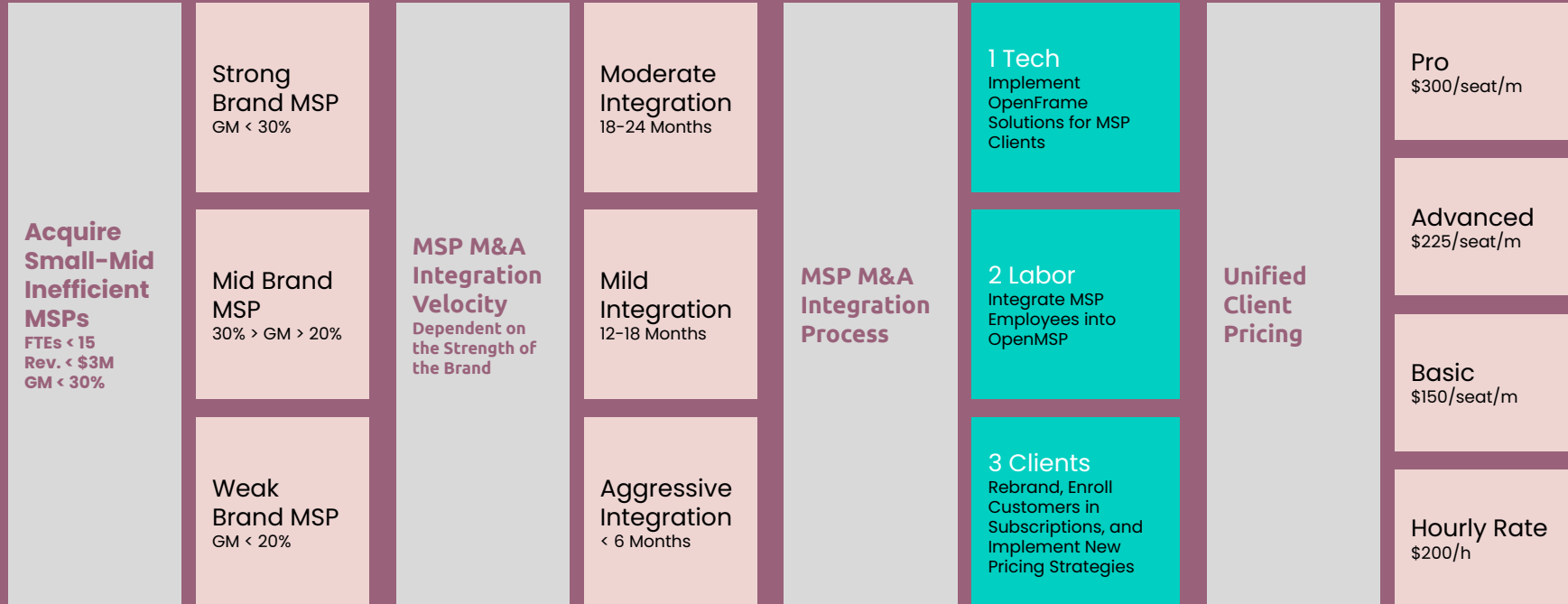
Iterating Through the Highest MSP Vendor Payouts to Detect, Reduce, and Optimize Costs



- 1 Initially Integrate** High value, low complexity
- 2 Integrate Later** Mid value, mid complexity
- 3 Integrate Last** Low value, high complexity
- N Never Build** Too complex or low cost-benefit
- C Custom Build** Tailored for unique requirements

Read more [here](#)

Ensuring Sustainable Growth with a Strategic M&A Approach to Score a Strong Net Retention Rate



Hitting Escape Velocity with Equity-Efficient Acquisitions and Clear KPIs

Validating Our Optimization Model

Demonstrating reductions in COGS and OPEX
KPI

Implementing a Founder Friendly Acquisition Structure

Successfully complete two acquisitions
KPI

Product Stage

Seed Round

Deploying an Equity-Efficient Financing Strategy

Acquire MSPs below market pricing with non-dilutive capital
KPI

Deploying a Scalable Acquisition Playbook

Acquire a minimum of two MSPs per quarter
KPI

Financial Stage

A Round

Deploying our Expansion Model through Retention and Upsells

Achieve 115% NRR with a minimum of 20% growth in acquired SMB clients
KPI

Executing a Repeatable Acquisition Playbook

Acquire 3 MSPs per quarter for 3 consecutive quarters
KPI

Execution Stage

Post-A Round

Flamingo Wins Big, No Matter the Exit Path

Service Expansion by SMB-Focused Giants

Transformational Acquisition ↑ Best Case

\$2.5B–\$3B Estimated Exit Value

\$100M Rev. | **71%** Grs. | **25–30** Rev. X

Ideal for companies like Google, Amazon, or major telcos (e.g., AT&T) already serving SMBs, Flamingo offers an opportunity to broaden service offerings and enhance tech solutions within the space.

Strategic Tech or Market Consolidation

Vertical Acquisition → Better Case

\$900M–\$1000M Estimated Exit Value

\$100M Rev. | **71%** Grs. | **9–10** Rev. X

Positioned as a key asset, Flamingo appeals to tech leaders like Palo Alto Networks or Cisco seeking down-market expansion, offering SMB-focused solutions aligned with their strategic goals.

Strategic Acquisition by PE or MSP Platform

Horizontal Acquisition ↓ Worse Case

\$500M – \$600M Estimated Exit Value

\$100M Rev. | **58%** EBITDA | **9–10** EBITDA X

With solid profitability, Flamingo could attract a traditional Private Equity firm, a fellow MSP, or an established MSP platform like ThriveNextGen or Ntiva seeking to expand market presence through acquisition.

We're creating a Data Fabric to Unify Data and Boost Efficiency with Custom Copilots and Dashboards

Standardizing log and operational data while streamlining access across various APIs

Logs and config for open-source tools

Ticketing and CRM information

Historical activities of NOC/SOC ops

IT and Security playbooks

Financial and ops data



OpenFrame Core

Data Fabric

Anomaly & Problem Detection

Hyper AI-Automation



Backbone Tech AI-Automation

↓ Vendor Payouts

ITSec Ops AI-Copilot

Cloud Ops AI-Copilot

Internal Ops AI-Automation

↓ OPEX

HR Ops AI-Copilot

Fin Ops AI-Copilot

Sales Ops AI-Copilot

CS Ops AI-Copilot

Traditional Roll-Up Efficiency

↓ Labor Costs

Offshoring

Automated IR and Support

Economy of Scale

Admin Unification