TruMethods

FRAME WORK

TRACK 3

TAKING COMMAND OF YOUR BUSINESS

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STEP 2 | Converting Existing Clients

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A **Kaseya** COMPANY

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SERVICES PRO

INTRODUCTION

Our guide on converting existing clients provides a comprehensive understanding of the process, including why it is essential and the steps involved. As MSPs look to improve efficiency and reduce costs, managed services are becoming an increasingly popular option. But how do you convince existing clients to switch to this model when they are already satisfied with their current services?

We will cover important topics, such as identifying your most visible clients, looking at hidden costs and risks, and reframing your message to prioritize your clients. You will learn how to successfully convert your clients to the managed services model and create a mutually beneficial relationship for both parties by following the steps outlined in this guide.

TruMethods Framework

CONVERTING EXISTING CLIENTS

Converting existing clients to a new model is difficult, especially when they are satisfied with their current services. Without proper perspective, the process can be disappointing, meaning it is important to approach the conversation with the client from a place of understanding and empathy. It is crucial to listen to the client's concerns and address them to make them feel valued and heard.

The old model is not a problem for the client because they are satisfied with the service they receive. However, you will help the client understand the benefits of the new model and why they should consider switching. You accomplish this by reframing the conversation and highlighting the hidden costs and risks associated with the old model. By doing so, the client can see the value in investing more in the new model and how it will benefit them in the long run.

Converting existing clients requires a similar approach to the basic sales process by approaching the conversation with empathy, listening to the client's concerns and reframing the conversation to help them understand the benefits of the new model.

Prioritize the most accessible clients to convert first by identifying the "low-hanging fruit."

» Review the clients' past years' time and materials revenue and divide it by the number of seats to get their current all-in seat price (AISP).

» The highest AISP clients are the easiest to convert since they will likely benefit the most from the new model.

» Compare AISP to the monthly recurring revenue (MRR) in the new model and prioritize the easiest ones to convert first.

Identify your most visible clients and find a way to bring them onto the new model, even if it means making some pricing concessions.

» Having these clients on board plays a significant role in changing your organization's culture.

» Showcase how the new model benefits the most visible clients to demonstrate its value to other clients.

» Converting the most visible clients can be a case study to convince other clients to switch to the new model.

Remember, although the conversion process may require some pricing considerations, the long-term benefits outweigh any short-term costs.

1 LOOKING AT OTHER COSTS

Consider both the direct and indirect costs of issues faced by the customer. The direct cost is the bill sent to the customer while the indirect cost is what it costs the person dealing with the issue. Both costs impact the customer's bottom line and productivity.

» Show the customer how your MSP model can reduce company issues and improve productivity.

» Explain to the customer that your MSP and their company have similar goals: to generate the most revenue with the fewest number of employees.

» Highlight the hidden risks that the customer may not be aware of, such as backup and disaster recovery and ransomware.

» Explain the hidden costs associated with IT, such as hardware, licensing and capital expenditures. Show the customer how your MSP model can help them save money on these costs.

» Highlight the potential lost productivity the customer may face due to a lack of access to new features, such as mobility.

» Remember to reframe the conversation with the customer and show them the benefits of the new MSP model.

You can help your existing clients understand the value of switching to the new model by considering the costs associated with IT and highlighting the benefits of the new MSP model. By using the same process you use with prospects, you can effectively convert your existing clients to the new MSP model.

2 CONSIDERATIONS

Explaining your business model and reasons for change

» Use examples of customers who have already switched and are experiencing the benefits.

» Emphasize your value proposition and how it will help their business.

Leaving behind customers who are not willing to reframe

» Focus on finding new customers who understand the value and are willing to pay your price.

» Your team can help convert the rest over time as your culture changes.

Deploying your tools to support customers

» It can help support customers faster and better than the old method.

» It can be a benefit even if they are not paying for the tools.

» Clients may start a conversation about how your new technology is helpful.

Prioritizing clients

» Identify clients with the most issues and prioritize them.

» Understand who is paying your bills and prioritize them accordingly.

» Clients on the new model get priority service while those who are not get "best effort" service.

SUMMARY

Converting existing clients to a new MSP model requires a thoughtful approach. You can successfully transition your existing clients to the new model by explaining your business model, focusing on clients who see the value in the new service, deploying your tools and prioritizing clients with the most issues.

Remember that not all clients may be willing to reframe, and it is okay to leave them behind and focus on finding new clients who see the value in your service. Your team can help convert the rest of the clients over time, and with a bit of patience and persistence, you can build a loyal customer base that values your services and is willing to pay for them.

NEXT STEPS

Continue your journey towards world class and check out more resources to help you along the way.
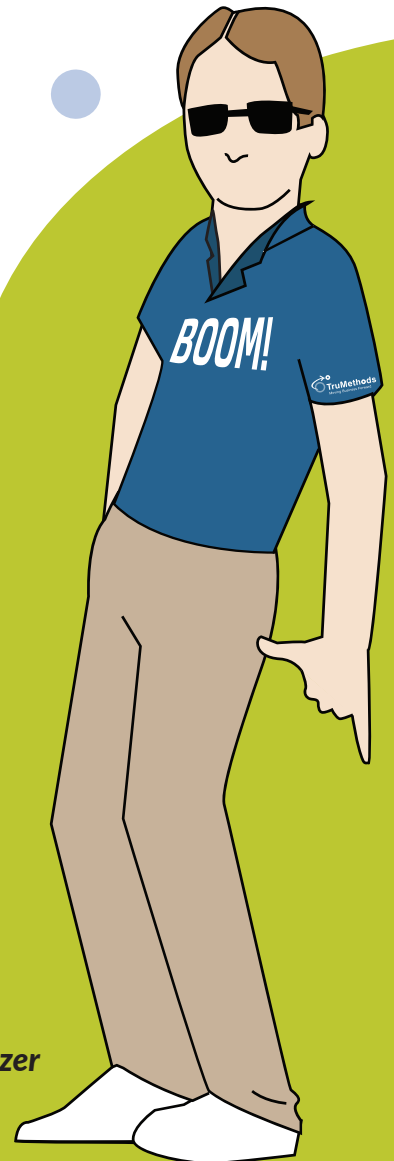
STEP 1 | Understanding Operational SMART Numbers

STEP 2 | Converting Existing Clients

STEP 3 | Not All MRR is Good MRR

STEP 4 | Service Delivery Capacity

STEP 5 | The MSP Turning Point

If you have any questions about what you've read here, please contact your Channel Enablement Manager (CEM) for more information about the TruMethods Framework.

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