



FRAMEWORK

FOUNDATIONS



STEP 4
**Introduction to
Technology Success**

INDEX

Beyond MSP: The Next Evolution for IT Providers	03
Break & Fix Land	04
Off to MSP Town	05
MSP Practice	06
Technology Success Practice	08
The Strategic Business Relationship	11
Standards, Alignment, Impact & Strategy	12
Summary	17



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BEYOND MSP: THE NEXT EVOLUTION FOR IT PROVIDERS

The technology market has changed. As small businesses look to outsource IT, more Managed Services Providers pop up. The average seats per customer have increased. The market must keep up with this trend to offer proper solutions at the right price.

Before MSPs went mainstream, IT companies ran on the break/fix model. Reactive service is often sold in pre-allocated blocks of time or billed hourly. Technology consultants meet with clients to say the obvious: something is broken, and it will cost money to fix it. With the needs of Small and Medium-sized Businesses (SMBs) evolving, this model no longer works. Enter the Managed Services Provider, offering proactive support and consulting for a flat recurring cost.

What if the MSP is changing, offering more than proactive support and consulting? What if virtual Captain Obvious (vCO) has evolved into virtual Chief Information Officer (vCIO) and partners with decision makers? Is it possible to improve the business relationship and not only the technology? Begin your journey towards the next step in World Class as a Technology Success Provider.

This guide is quite the adventure. First, we start in Break & Fix land to reminisce over the old method of supporting customers and how it is no longer sustainable. We then cross the River o' Tickets, travel across The Straits of Unpredictable Revenue into MSP Town. Life is better here, as we discuss the MSP Practice, leveraging new tools, and creating more value for your customers.

But MSP Town has become crowded, and everyone has the same intentions. After traveling through the Commoditization Mountains and around The Quagmire of Mediocrity (not forgetting to enjoy the view of The Fields of Awesome), we arrive in Technology Success World. From here, we learn how to develop a Technology Success Practice—implementing the strategic business relationship and developing the four aspects of Standards, Alignment, Impact, and Strategy.

BREAK & FIX LAND

As you continue your journey towards Technology Success, you will discover that there is much to leave behind. The old method of break and fix service is no longer a sustainable model. A new method of generating Monthly Recurring Revenue (MRR), developing standards for your customers' technology, aligning their environment to those standards, and discussing business impact and strategy with decision makers is on the horizon.

In a break and fix business, things were simpler with a much narrower focus—bill as many hours as you could while selling with the most margin. Some of the disadvantages to this model include:

UNFORGIVING

Once you had a bad week of not billing customers, it was difficult to have a good month, and then difficult to have a good quarter. At that point, it was very difficult to have a profitable year.

PEOPLE DEPENDENT

A downside to the break and fix model is people dependency. This business model is highly dependent on good people and should they leave, the business scrambles for a replacement.

SEPARATION FROM THE COMPETITION

There are new competitors that sell the same hardware, offer the same support, and use the same tools. The only differentiator is price.

The main driver of this business model is survival. Without a consistent revenue stream, highly skilled technical staff, or a process to separate you from your competitors, the break and fix service method is not practical in an industry overflowing with competition. Therefore, it is time to move on to MSP Town.



OFF TO MSP TOWN

Adventuring to MSP Town is a double-edged sword—you are leaving your comfort zone knowing it is something better, but you are not familiar with the new territory. The thought of breaking out of the old method for something new is frightening, especially when navigating unknown territory. However, there is a light at the end of the tunnel and once you arrive, there are no second thoughts of leaving Break & Fix Land behind.

THE BENEFITS TO ENTERING THE WORLD OF MSP HEAVILY OUTWEIGH THE PRIOR ARRANGEMENTS:

LEVERAGE NEW TOOLS

Tools like Remote Monitoring & Management (RMM) created new opportunities to monitor, manage, and deploy tools remotely to workstations and servers.

CREATE MORE VALUE

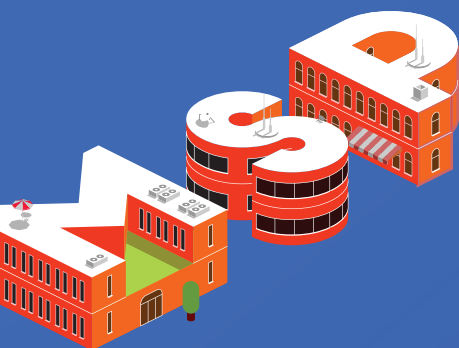
As an MSP, you can create more value and improve your customers' perception of quality by being proactive—resolving issues before they become a problem.

MANAGE TECHNOLOGY

Changing the conversation with customers by managing technology versus fixing it.

RECURRING REVENUE BUSINESS MODEL

Create a consistent stream of revenue to manage costs like tools, salaries, and other operating expenses. Recurring revenue helps make your expenses more predictable.



The early days in MSP town are fun. Championing the concept of being proactive differentiates you from your competitors. You get to add new tools like backup & disaster recovery, web filtering, endpoint protection, email phishing services, and more. But as you add new tools, services, and features, things change because:

- Adding more tools made it more complicated
- You struggle to relate these items to outcomes for customers
- It is difficult to relate new items to your costs
- Determining margins was more challenging

MSP PRACTICE

To separate your MSP from others in the industry, it is necessary to create an MSP Practice. The Practice defines the process of how your business works and helps solve the problems mentioned—like how adding tools makes it more complicated and the challenge of deciding margins.

The MSP Practice has more focus:

ROLES, PROCESS, WORKFLOW, METRICS

Implementing employee roles, a process, a proper workflow, and analyzing metrics improved on the break and fix model.

TIE THE OUTCOMES TO YOUR MSP AND THE CUSTOMER

Able to show how implementing an MSP Practice tied the outcomes to the work being performed.

MORE VALUE

Tying the outcomes allowed the customer to see value in the practice and allows you (the MSP) to tie the outcomes back to your costs.

As you move away from break and fix and into MSP town, it becomes crowded. More service providers label themselves as MSPs because they feel their offerings are different from others in the space. You often hear:

We have great people!

Our tools are the best!

We're trusted advisors!

We are proactive!

The MSP Practice is built on top of the traditional break and fix business. Numerous value-added concepts were added on this stack, rounding out a complete service offering.



TECHNOLOGY SUCCESS PRACTICE

Once you moved on from the break and fix business, the MSP Practice was the next logical step. The MSP Practice had numerous great additions, but it was time to go a step further and put those concepts into a new practice: Technology Success.

The core has some concepts of the MSP Practice, but we will look at them in a different light. The Technology Success Practice incorporates Standards, Alignment, Impact, and Strategy (more on this later). The important takeaway is focusing on strategy and what relationship you need to deliver it to your customers. Much like how you went from fixing technology to an MSP where you managed technology, you now need to have everything aimed at managing outcomes in your customer's business.



TECHNOLOGY SUCCESS PRACTICE

Standards | Alignment | Impact | Strategy

MANAGING
OUTCOMES

MSP PRACTICE

MANAGING
TECHNOLOGY

BREAK & FIX BUSINESS

FIXING
TECHNOLOGY

It is crucial to note that the market has changed. More MSPs have more tools and technology, and with that, more Small and Medium-Sized Businesses (SMBs) are looking to outsource their technology services. The target market for IT support is evolving—average seats per customer has increased and with that, the average seat price (the amount you charge per user). The needs of SMBs have changed and there are factors to consider when working with these businesses:



COMPLEXITY

The ever-changing landscape of technology presents a series of challenges and obstacles.



SECURITY

With active threats on the rise, cybersecurity has become one of, if not the, most important needs of any business.



COMPLIANCE

Businesses in most industries have requirements for statutory, regulatory, or contractual compliance.



APPLICATION

The ease of getting applications for functions inside the organization is becoming much easier. Businesses no longer need to buy and support the hardware or environment—they are more commonly bought as a service.

When you zoom out, the decision makers at SMBs need to look at technology differently. Viewing their technology as another tool only sets them back and prevents them from seeing it as a competitive advantage.

FIVE ELEMENTS OF MANAGING BUSINESS OUTCOMES:

1

TECHNOLOGY NEEDS TO SUPPORT THE CLIENT'S BUSINESS GOALS

It is no longer about fixing or managing their technology but tied directly to business goals.

2

CUSTOMERS WANT TO MAKE BETTER BUSINESS DECISIONS

They do not necessarily want to make better business decisions but must if they want to remain competitive.

3

LEVERAGE TECHNOLOGY AS A COMPETITIVE ADVANTAGE

If technology is not used as a competitive advantage, it will now be a disadvantage.

4

IMPACT THE BIG COSTS OF THEIR BUSINESS

Decision makers are understanding the impact on big costs for their business and are more open to managing those outcomes.

5

REDUCE GROWING RISKS SURROUNDING TECHNOLOGY

Implementing new technologies requires proper installation and upkeep to continually mitigate the risks threatening businesses every day.

THE STRATEGIC BUSINESS RELATIONSHIP

We have approached a point in time where technology will make or break a customer's success. As an MSP, you must show customers how you deliver specific outcomes through this relationship. But to do that, we need to understand how their business works by considering their goals, challenges, and opportunities.

The definition of someone who makes generic technology recommendations to customers is known as a virtual Captain Obvious (vCO). A vCO makes recommendations that have little to no impact on the goals of the business. Upgrading an aging email server, buying a new network switch, and upgrading software licenses have zero relation to the business's success.

A vCO cannot help a business meet their business goals if their only function is to sell generic technology recommendations. A strategic advisor focuses on structuring their relationship using a process and a framework. Using these two functions, a strategic advisor can relate their technology recommendations to the customer's goals.

Without an understanding of how your customer's business works, their challenges, and their goals, you cannot consider yourself a Technology Success Provider. The goal of your MSP is to become part of your clients' function areas like HR, Finance, and Sales. Lacking this knowledge, your MSP falls under Selling, General, and Administrative expenses (SG&A), rolling your business into general expenses like electric, phone, and office supplies.

So why a practice area? We have reached the point where you need a repeatable process-based delivery of the strategic business relationship. That means roles, process, metrics, and a focus on Technology Success. All of this affects the success potential of customers and prospects. If your MSP has a focus on Technology Success and a customer or prospect does not want to see technology as a functional area, but as an expense item, you will disqualify them out of the process early on.

- » A repeatable, process-based delivery of the strategic business relationship
- » Roles, process, metrics, and a focus on Technology Success
- » Success Potential, Proper Experience, Time-to-Value, Desired Outcome
- » Technology Success Practice is how you deliver the outcomes

STANDARDS, ALIGNMENT, IMPACT & STRATEGY

Earlier on, we mentioned the Technology Alignment Manager (TAM) and virtual Chief Information Officer (vCIO) roles being the core of Technology Success. The TAM uses an objective set of standards and aligns your customers to those standards. After their assessment, they pass their findings to the vCIO who analyzes the business impact, makes recommendations, and plans short- and long-term strategy.



1 STANDARDS

Technology is more complex today, and increasing in complexity

Businesses today are subject to more requirements than in the last 5-10 years. The amount of technology is more complex, and we are subject to more legal and compliance requirements like never before, except for specific verticals. There are more opportunities for legal and compliance exposure that increases the awareness of Technology Success Providers.

Legal & Compliance requirements

As a Technology Success Provider, we need to be in front of these changes if we plan to charge a premium price and deliver a premium service. Clients that are subject to these requirements are expecting us to provide that business advice to them.

Security requirements

Security requirements are higher now than ever before, and this presents an increase in overall security risk. These opportunities must be built into your standards and addressed more often.

Industry requirements

The need for enhanced security, legal, and compliance requirements are increasing every day for every industry. No longer are the financial and medical industries subject to strict standards, but almost every business requires a minimal form of compliance.

Business-specific requirements

With the increase in industry requirements, specific requirements for businesses come along with it. While statutory, regulatory, or contractual compliance is necessary for most businesses, individual businesses may need to implement their own standards.

THE BOX AND THE BLOB

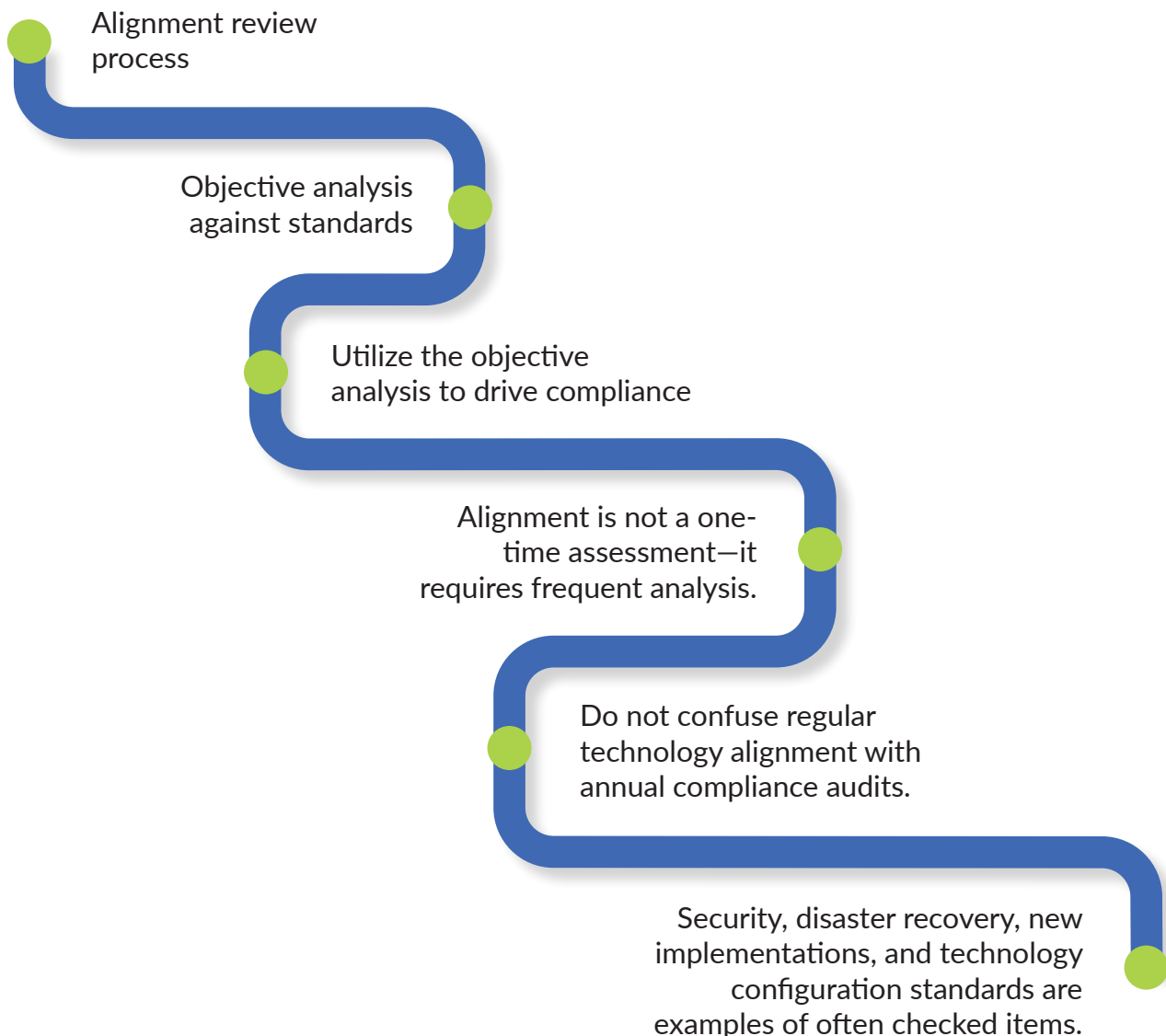
To see how your clients stack up against your standards, refer to the box and the blob model. The blob is a client's technology and its alignment against your company standards. The box shows predictable results and is a sign of technical alignment necessary for Technology Success.

Your client's alignment against your standards

STANDARDS

2 ALIGNMENT

Alignment is the objective analysis of a customer's IT environment against your standards. Standards are developed through your company and align with best practices, industry frameworks, or certain laws and regulations. The idea behind alignment is to use objective analysis to drive compliance.



3 IMPACT

The Impact stage of Technology Success combines the objective review (TAM) with knowledge of the business (vCIO), referred to as the strategic business profile. This is where you decide what questions to ask regularly about aligning their technology to your standards.

Once you know this information, you can prioritize misalignments and risks. This is the first step in building the strategic business relationship. As an owner or vCIO, if you can begin to ask the right questions to multiple customers, you start to get pattern recognition and can then standardize across all your clients.

Decision-makers may love to talk about their business, but not so much about their technology—either because of disinterest or lack of understanding. In a strategic relationship, a vCIO breaks it down into non-technical language.

1

Use clean, non-technical language when explaining technology. If the decision-maker is not technical, it is best to keep details uncomplicated.

2

Make the connection between technology and business goals. Explaining how technology works is not recommended but is more relevant when you relate it to their goals, growth, or ambitions.

3

Present concise technology summaries while detailing recommendations and potential business impact. When presenting recommendations, choose a readable and well laid-out format.

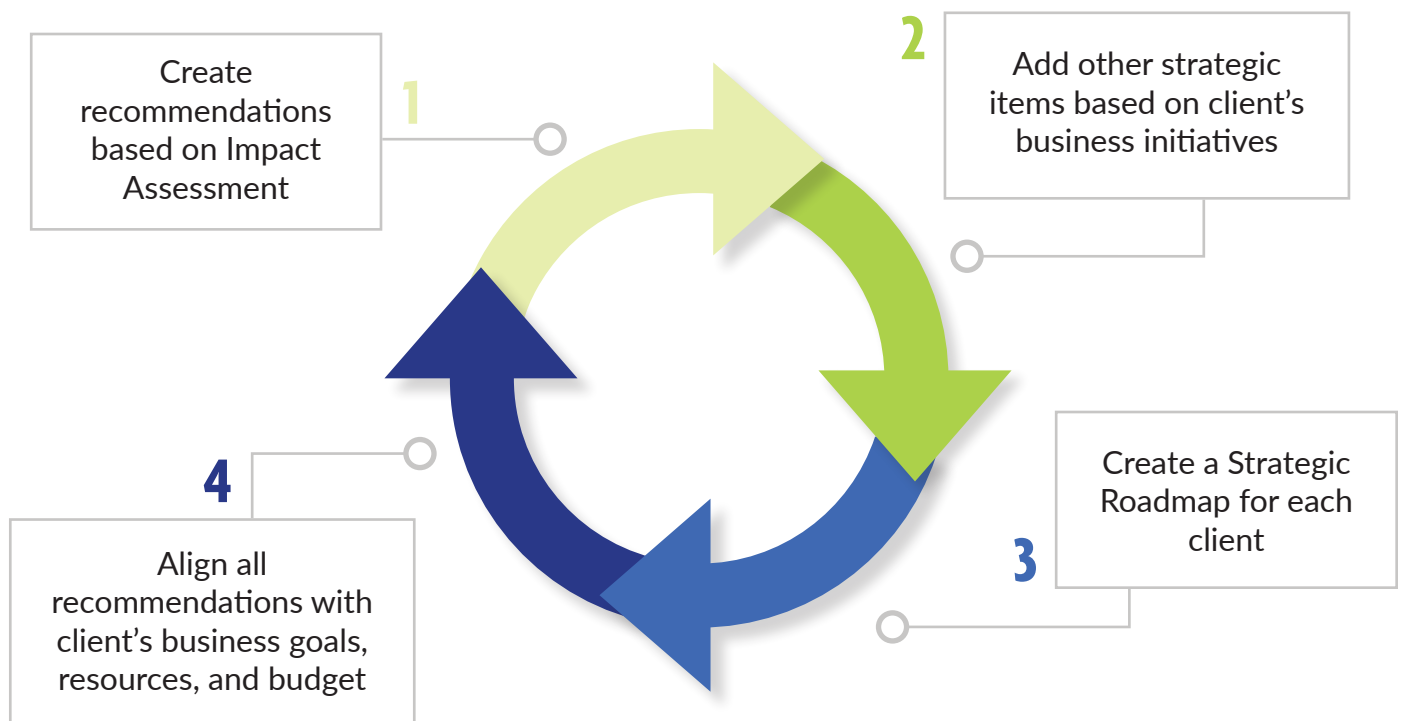


4 STRATEGY

The primary reason we perform the earlier steps (Standards, Alignment, Impact) is to achieve your delivery mechanism of strategy—creating recommendations based on the impact assessment. Added strategic items are based on the client's business initiatives and will not come from an alignment review, but from the customer telling us more about their business (e.g., new office, changing business applications, acquisition).

Recommendations are intended to align with a client's business goals, resources, and budget. Once information is assessed through the alignment and impact stages, the vCIO will build a strategic roadmap for each client. A roadmap includes short term goals (1-12 months), long term goals (12-36 months), budgeting for those items, and the resources necessary to achieve those desired outcomes.

Using the strategic roadmap as a delivery mechanism, you will see how robust and active the roadmap is in deciding your relationship with a client. Also, it will show a decision maker how to perceive the value in the relationship.



SUMMARY

Technology Success gives you the opportunity to build a tangible, high-value relationship with customers. Standards and alignment paired with business impact and strategy are not the building blocks of an MSP, but of a Technology Success Practice.

Even though we are leaving MSP Town and entering Technology Success World, we are not leaving it behind. We can take a lot of great things about MSP and build on top of it. This is where you thrive and continue to lead the industry. There is no need to worry about competitors of the marketplace—there is a market for this if you focus on the execution of the practice.

KEY POINTS OF TECHNOLOGY SUCCESS:

PRIORITIZE Technology Success as a Practice.

A strategic business relationship needs to be the **FOCUS** of your customer relationship.

All delivery areas **WORK TOGETHER** to support that result.

Change your perspective, priorities, and plan—starting **TODAY!**

Other business symptoms are solved as you implement your Technology Success Practice!