

5 Tips for Break-Fix to MSP Success



Introduction

Managed services are a great channel play. Managed service providers (MSPs) build steadier recurring revenue from clients than traditional project-centric/break-fix models or Value Added Resellers (VARs). Over the long term, this ongoing engagement also makes MSPs better candidates for mergers and acquisitions (M&A). So, if you don't want to work forever, it's smart to build a big base of happy managed services clients.

But MSP success is about much more than just renting technology instead of selling it. Competition in the managed services market is intense. If you don't aggressively differentiate your value, you'll wind up in a low-margin race to the bottom.

To optimize margins and achieve high retention, MSPs must therefore re-think client engagement entirely. Here are five tips for doing so:

1. Beans Over Bits

MSPs don't sell technology. They deliver digital business capabilities via an economically optimized model. Dollar-quantified business cases are thus central to MSP engagement. And those business cases *must* include top-line impacts—not just savings.

This can be a challenge for channel pros accustomed to "better, cheaper" sales narratives. Anyone, though, can promise better and cheaper. The best MSPs win clients for life by being the partner those clients need to execute continuous digital transformation that pays off quantifiably, quarter after quarter. Shaving points off an IT budget won't win that game.

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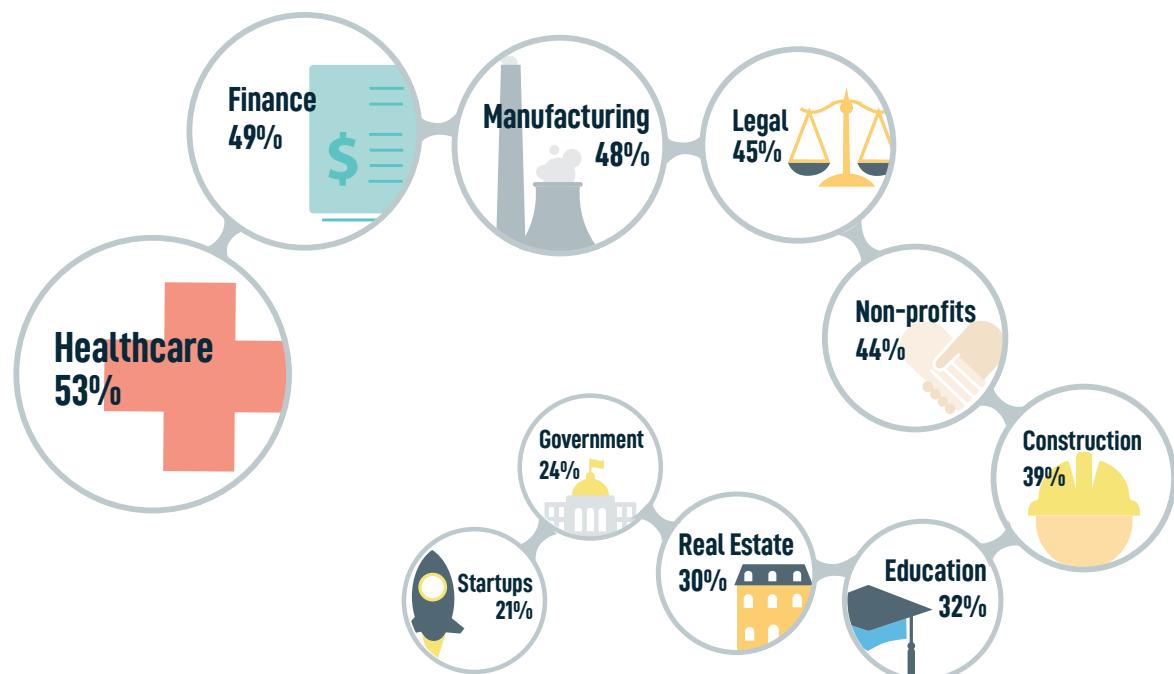
2. Climb Vertically

Technologists are often dismissive about vertical markets. After all, backup is backup—whether a client serves burgers or subpoenas.

But backup requirements—as well as those for compute, mobility, apps, and analytics—vary significantly between verticals. More importantly, clients think about their own digital requirements in vertical terms. So you can't tell a realtor their needs are just like those of a trucker.

And you can't intelligently guide a client's digital transformation if you don't know their industry. That's why market-leading MSPs pick markets in which to lead—and are highly intentional about leading them.

Top Verticals Targeted by MSPs



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3. Know Your Clients' Clients

The clients you need to delight also need to delight clients. Therefore, their success depends on the same thing as yours: making people with money happy.

This truth directly impacts MSP engagement. The data you protect is often your clients' clients' data. The apps you deliver can differentiate your clients' own client engagements. The value you provide *your* clients is thus largely contingent on the value you help them deliver to *their* clients. Make sure you communicate this clearly. Your goal is to help improve the way they do business for others as well.

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4. Partner *Wisely*

To drive continuous digital transformation for clients in target markets, the right partners are essential. Hybrid cloud is a must. So is transformation-friendly pricing structure.

You'll also need responsive, consultative support. No small-to-midsize MSP can maintain the full range of skills and knowledge in-house that are required to be an effective partner for digital transformation. So you need to partner with a vendor who understands that mission and can support it appropriately. For example, [Datto's Global Partner Program](#) offers MSPs the power to grow their business and the support to keep it running, offering sales and marketing resources, a dedicated success team, and 24/7/365 tech support, to name a few things.

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5. Be the Change You Want to Sell

VARs and newbie MSPs are often like the shoemaker's children. They're always trying to sell technology that's far more sophisticated than what they use themselves. That's terribly unwise. The digital transformation story any MSP tells clients is only as credible as its own digital client experience. And, yes, you need an app for that—preferably one that provides real-time visibility into system status, transaction activity, and anything else relevant to the client engagement. If you can't deliver that, you can't be a top-tier MSP.

None of this is easy, but it's all do-able. And the rewards can be substantial. Businesses increasingly consume technology on-demand as part of a total solution. MSPs that align with this shift in consumption will grow—and position themselves nicely to cash out in the future.

