

Sales Metrics for Managed Services – What Good Looks Like

- In this session, Morgan will provide attendees with the benefit of thousands of analyzed deals and years of sales performance metrics in managed services. Discover what is actually happening in the industry around price per seat, contract revenue, product and services mix, closing rates, sales cycle duration, pipeline metrics and more. Also, learn about the ideal client profile (ICP) for these services, based on real-world experience combined with big data analytics.



Agenda

- It is getting late...
- Get better at selling to your base
- Ideal Client Profile (ICP)
- Street Level Sales Metrics



Agenda

- It is getting late...
- Get better at selling to your base
- Ideal Client Profile (ICP)
- Street Level Sales Metrics



- **If your Managed IT business is not ...**
On a solid path to profitability, and
trending toward 30% of total revenue in the
next 36 months, then ***you are behind.***
- **The market has arrived, SMB's are contracting
for these services. Your issues may be:**
 - Improper Sales Strategy
 - Execution Issues
 - Lack of Confidence (or Focus) within the
Company



Common Strategy Flaws

- **Rip & Replace**
 - Guarantees **very** slow growth and a frustrated sales organization
- **Inadequate Pre-Labor Service Margin %**
 - Needs to be >65% or profitability won't be achieved
 - Street price needs to be competitive
- **Accepting contracts with accounts that are too small**
 - Ignore the <10 market
 - Average seats should be trending to 20
- **Expecting Equipment reps to build the pipeline themselves**



Agenda

- It is getting late...
- Get better at selling to your base
- Ideal Client Profile (ICP)
- Street Level Sales Metrics



We tell ourselves ...

- Our customer list is our #2 asset behind our service/aftermarket.
- We are totally committed to diversification, with a goal of 30% of topline revenue in non-core within 3-5 years (beginning in 2014).

The Reality...

- Our list (and our CRM) is very spotty, with incomplete information (at best) and we have really only used it for reps to keep track of follow ups and managers to monitor pipeline.
- Senior management spends (by our estimate) less than 5% of time on new markets, and we don't allocate resources to this to match the goal.



Agenda

- It is getting late...
- Get better at selling to your base
- Ideal Client Profile (ICP)
- Street Level Sales Metrics



Where we have been...

- Data on over 1,000 MS deals, and growing daily
 - Clients, non-clients, and MSP's
- Analyzed key areas including:
 - Monthly Contract Revenue
 - Number of Seats
 - Revenue Per Seat
 - Variables including:
 - Current copier customer before MS?
 - Was Help Desk included?
 - Lead Source?
 - Customer Level started with?



Big Data = Ideal Customer Profile

- The term Big Data is often used, and not often understood.
- Everyone knows how Amazon and WalMart use this to sell on a B2C basis.
- For Small and Medium B2B business (you)...Big Data means finding the Ideal Customer Profile...and don't think about anything else except sales.
- There are very smart, forward looking companies that are able to mine the huge amounts of data out there to tell you what customers and prospects are most likely to buy from you...using very sophisticated methods.



Ideal Customer Profile

- ***Developments in analytics have moved from correlation to prediction. We no longer surf the internet, it surfs us!*** - IDC Report – 2020 Transformation
- Ideal Customer Profile (ICP) Analytics & Model
 - Mathematical models based on historical wins, losses, and no-decisions
 - Analytical tools that look at demographic, firmographic, and psychographic information
 - Creates unique “DNA” or “persona” at a company and contact level
 - Performs accurate, scientific, predictive analytics and lead scoring based on “contributors” and “signals”
 - Accurately predicts which customers are most likely to buy and have the highest “spend score” and “lifetime value”

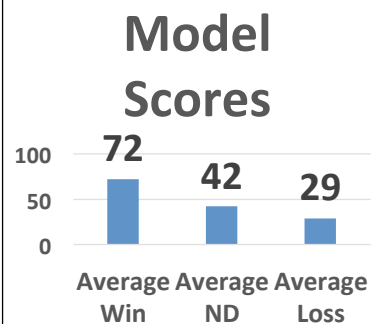


Big Data and Ideal Client Profile (ICP)



The model is effectively identifying **key signals** on which to base scores. There are currently 187 Key Signals the model has identified as significant contributors to the likelihood of a win consisting of Firmographic (57), Social and Web Presence (47), Website Technology (74), and Spam Filtering (9). In aggregate those scores are telling us that the high opportunity scored companies will have traits such as:

- Private ownership
- Non-enterprise level businesses
- Companies that are “technology friendly” but not sophisticated
- Companies that are using technology that smaller companies use



“A” Scores



- "A" accounts represent 57% of the wins
- "A" accounts delivered 69% of the revenue

Lead Score	# to get a Win
A (70 and above)	3 Deals
B (50-69)	8 Deals
C (25-50)	17 Deals
D (Under 25)	58 Deals



Agenda

- It is getting late...
- Get better at selling to your base
- Ideal Client Profile (ICP)
- Street Level Sales Metrics



From the **93** most recent **10+** Seat Deals...

- Average Mo. Recurring Revenue - \$2,471.10
- Average Seats – 29.96
- Average Revenue Per Seat - \$82.48

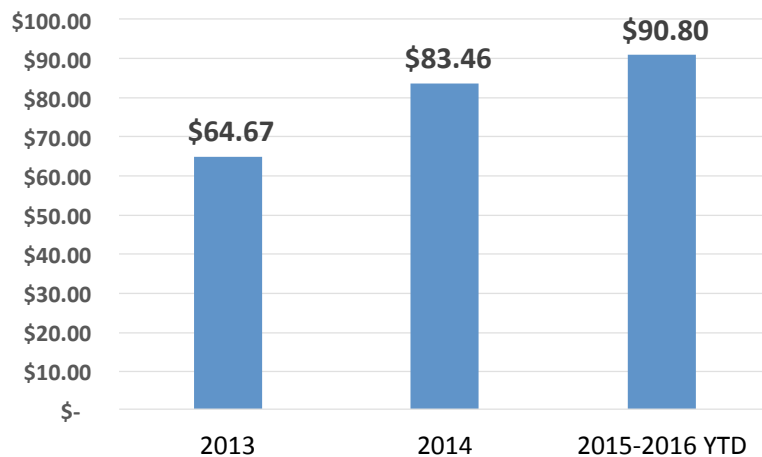


From the 73 most recent 15+ Seat Deals...

- Average Mo. Recurring Revenue - \$2,831.99
- Average Seats – 34.95
- Average Revenue Per Seat - \$81.03



Revenue Per Seat Trend (15-50 Seats)



Initial Appointments To Deals

18 = 2.4



Sales Cycle

39.4 days



Meetings to Close

4.2

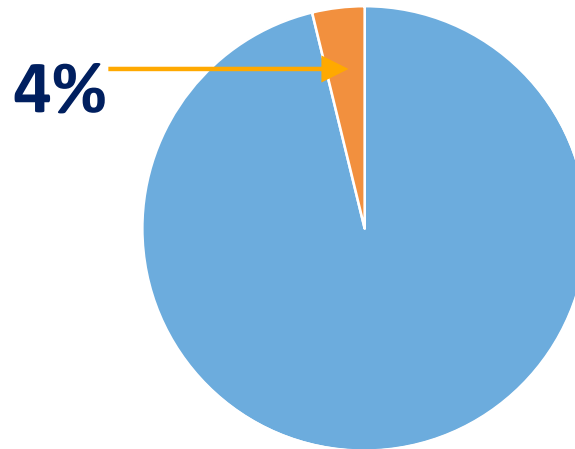


Ultimate Decision Maker Involvement

91%



% Started with IT



Close Ratio

56%



Net New Customers

34%

(but this number starts out much higher)

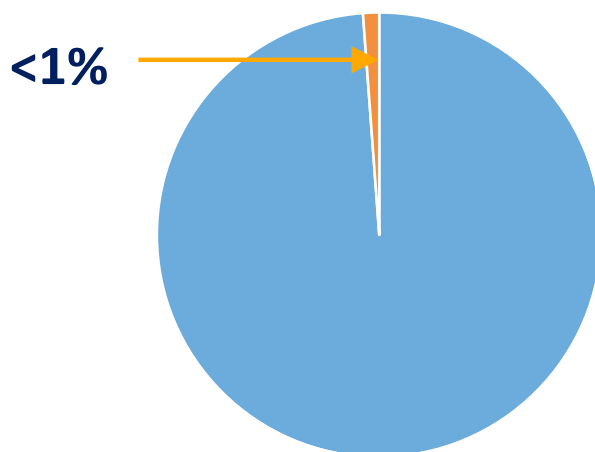


Hardware-as-a-Service (HaaS)

- Model has been 30% GP%, has increased to 35%
- 34% of initial sales have a HaaS component
- Should have 66% HaaS vs. 33% cash



% “Rip & Replace”

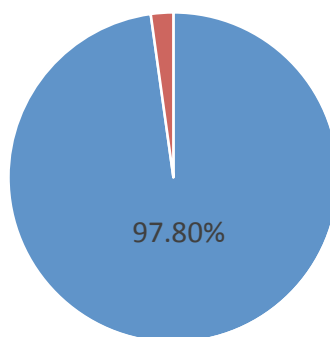


“Land & Expand”

- Average increase is 26% within the first 9 months
- HaaS component in 51% of expansions
- Management of the customer Technology Plan is critical



Help Desk Inclusion

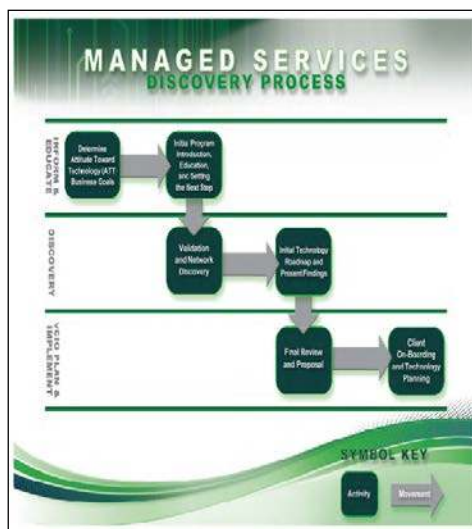


■ Yes ■ No



Sales Best Practices Top 10

1. Sales Process
2. ICP Scoring
3. Strategic and Operational
4. 18 = 2.4
5. C- Level
6. Best vCIO wins
7. Land & Expand
8. Track New vs. Current
9. HaaS, HaaS, HaaS
10. Help Desk



Don't Miss Out!

June 28-29 in Ft. Worth

Content Includes:

- The Managed Services Business Model 2.0 for maximum performance
- The Sales Process that is generating 4x results versus dealers not using it
- MSP acquisition trends and 10 MSP Critical Success Factors
- vCIO Development: How to maximize this key position

BTA Managed Services Workshop
Detailing the Updated Managed Services Business Model v4.0

Have you invested in the managed services market but have yet to see the results you were told you would see?
Are you looking for answers on how to execute instead of just hearing about what you should do?
Have you just entered this market or are planning to and need to make up for lost time and avoid the mistakes others have made?

Attend this executive workshop to gain a clear understanding of the business and the tools to succeed within the four most relevant topics in managed services today:



MAKE THE LEAP
Managed IT Services Business Model
The Managed Services Business Model 4.0 for Maximum Performance
Key metrics, targets and actions for execution on profitability, revenue, contracts, sales activity and pipeline, head count, compensation and operational performance



The Sales Process That is Generating 4x Results Versus Dealers Not Using It
Has also helped increase total managed services by 207%



MSP Acquisition Trends, Critical Success Factors & Best Practices
Gain insight into the growth strategy as well as the 2-GAP Strategic Alliance MSP Acquisition Program's exclusive benefits with special guest Mike Dudek of Zygaquest Group



vCIO Development
How to attract, identify, hire, develop and maximize the impact of this key position within your successful managed services program

About the Instructors
 Mitch Morgan is a partner at GAP. He founded the Connectivity Partner Program at GAP in 1991. After his business was acquired by BTA Office Solutions in 1999, he led the Technology Services division. In 2001, he formed the Professional Services division for BTA. Morgan has been consulting with CIOs on strategy, operations, organizational development and sales since 2005.
 Chris Ryne, a partner at GAP, brings significant experience in driving growth and profitability, possessing an understanding of the industry that includes traditional and emerging markets from both a sales and operations perspective. His tenure includes 10 years with BTA, where he built and led a successful professional services business unit from startup to a well-integrated team.

Workshop Date & Location
June 28-29, 2016
ECI Software Solutions, Fort Worth, Texas

Pricing:
Member tuition: \$995
Additional attendee, same dealership: \$745
Non-member tuition: \$1,425*
*Includes a one-year BTA dealer membership.

To register, visit:
www.bta.org/MS

BTA Business Technology Association
90 Years 1926-2016



Mitch Morgan

Mitch@growthachievementpartners.com

Phone – 913-269-7255



Chris Ryne

Chris@growthachievementpartners.com

Phone – 913-522-5454

