

# 3-STEP PROCESS TO BUILD A SUCCESSFUL MSP FROM THE GROUND UP

The 3 keys to success





Starting a Managed Service Provider (MSP) business can seem like a daunting task when starting from square one, especially if you have never started a business before. A thousand questions may be swirling through your mind – where do I find people to work for me? How will I bring in clients? What can I do to ensure I create a profitable business?

We're here to help! With this three-step guide, we take the guess work out of getting your business up and running. From finding (and choosing) the right employees, to getting the word out and making sure you bring in sales, this guide will have your MSP on the road to success and profit in no time.

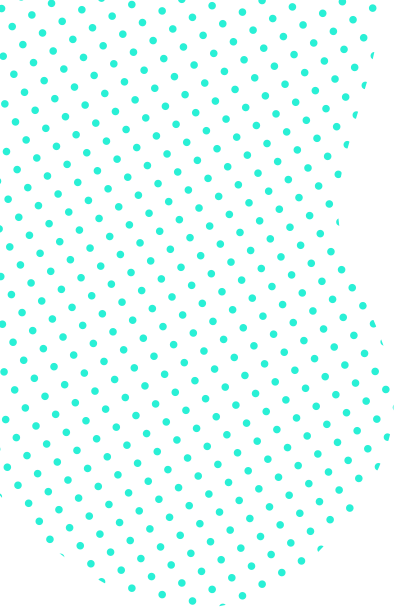
# 1 HIRING

## Hiring Quality Employees to Grow Your Business

Hiring the right employees is crucial for all businesses. That's why large companies invest heavily in recruiting. However, smaller businesses, like MSPs, don't typically have the resources to dedicate to such efforts. As a result, many MSPs struggle with bringing in the talent they need to grow their business.

Additionally, many MSPs have a hard time finding qualified employees that are a good fit for their business model. For example, they often find many engineers are used to delivering reactive "break-fix" services and struggle with the managed services business, which requires a proactive monitoring of clients' IT environments.

If any of this rings true, you are not alone. The good news is that we've done our research and found the most effective tips for hiring, including where to look for talent and how to identify (and interview) good candidates.



**Pro tip: If there are no meetups in your area, start your own! These events are non-threatening, relaxed and more conversational, so you may get a more accurate indication of a candidate's personality. Networking should be an ongoing effort, not limited to when you have an open position.**

## **Finding the right people**

Traditional recruiting avenues, such as job listing sites, are useful but tend to cast a very wide net. Finding the right people this way begins with crafting a very detailed job description. Make sure to provide potential employees with as much information about the role as possible, especially around required skills and experience. This will help you reach the right candidates and avoid wasting time. The platform where you choose to publicize the position is also important to consider. For example, in large cities, you may want to focus on job listing sites such as LinkedIn, Indeed or Glassdoor. For smaller communities, your best bet might be Craigslist or even a local paper. Keeping track of successful postings over time can help you find what works best for recruiting within your area so you can better focus your efforts.

## **Referrals**

Referrals can be a highly effective way to find the right candidate, especially with the landscape of the MSP community. According [a study](#) by recruiting software vendor JobVite, on average, it takes 29 days to hire a referred candidate, compared to 39 days to hire a candidate through a job posting or 55 days through a career site. Another interesting finding: referral hires stay longer at companies. In fact, 46% of referral hires stay for more than 1 year, 45% for over 2 years and 47% for over 3 years. The staying power of referrals is a big reason why MSPs should consider starting an employee referral program internally.

## **Networking**

Networking is also vital in the search for qualified candidates, including in-person networking at industry events and career fairs and networking via social media networks to identify potential talent through your contacts. Tech meetup groups can be particularly effective in finding potential employees because they are highly focused.

## TOP INTERVIEW QUESTIONS TO FIND THE RIGHT CANDIDATE

**What do you enjoy doing the most?**

**When you don't know the answer to something, what is the first thing you do?**

**What's your process for getting work done.**

**What interests you in particular about this company?**

**Where are you in your career path and where would you like to be in the future?**

### Experience vs. a clean slate

Every business needs a balance of experienced and novice staffers. Out-of-the-gate, the experienced employees will be independent and have the technical skills necessary to perform their role. However, their salary will match their level of expertise. Also, depending on their background, they may have ingrained habits that don't mesh with the way you run your business.

On the other hand, greener employees may accept lower salaries, but they will require more guidance. While this can be time-consuming at first, it can pay dividends in the long run with knowledge and expertise specific to your business.

### All about the interview

The interview is your chance to fully vet a candidate. You need to find out if they can do the job, how interested and passionate they are about the company and whether they are a culture fit.

If a candidate is passionate about the work, your company and learning new skills, it will come through in the way they respond. Lastly, don't neglect your current team in the decision-making process, especially those with whom this new hire will work directly. Team members should be involved in all aspects of the hiring process including spreading the word about the open position, screening candidates, conducting interviews and the post-interview conversations.

### Conclusion

In the end, growing your MSP successfully means starting with the right foundation - The more you find out about a candidate through the hiring process, the better chance you'll have of building a strong team.

## 2 MARKETING THE BUSINESS TO CLIENTS AND PROSPECTS

### The ultimate guide to marketing.

You've built your team. Now it's time to spread the word. The internet, social media and digital marketing have caused a sea of change in the way companies communicate with potential clients. Businesses in general, and MSPs in particular, can benefit from leveraging evolving digital media to reach out to prospects and customers in new ways. As part of that shift, the concept of inbound marketing is becoming a significant driving force in the continuing evolution of marketing and the ongoing quest to attract and keep customers.

At its core, inbound marketing is about creating and sharing content focused specifically on your target prospect. By providing relevant content that helps your prospects answer their questions and solve their problems, you become a valuable and trusted resource. This helps you attract them to your company and makes it more likely that you'll convert them into customers. How does that impact the way you market your MSP business? Instead of jamming a sales pitch down the throats of your prospects, you pull people toward you.

So, what should you be thinking about as you develop a marketing program to help grow your managed services business? The most effective approach, and one which a great number of MSPs are taking, is building a marketing program that incorporates both traditional and new marketing tactics.





We've collected a group of experts from successful IT service businesses and asked them to share their thoughts on putting together an effective business-to-business (B2B) marketing program. It's no surprise that their overriding advice is simple: inbound should clearly be a key piece of your program, but don't forget some of the more traditional marketing methods.

### **Planning a strategy**

To develop an effective marketing program, you must identify prospective customers, determine their goals and decide which tools, tactics and channels you can best use to reach them. Strategy is the foundation of your marketing plan. It's important to take time to develop a marketing strategy which can grow your business and stay true to your company's values.

### **Grow the sales funnel**

Most programs are focused on lead generation with an added emphasis on promoting loyalty with existing clients. That's a good place to begin since lack of a sales funnel is one of the biggest obstacles for MSPs expanding their businesses.

As you build your plan, it's critical to develop profiles of your target client. Once established, use those personas to focus your marketing plan by conducting research using industry databases to identify companies that match your ideal prospect profile.

It's also important to learn from your previous campaigns to fine-tune your marketing strategy. Review your past marketing efforts to determine what worked and what didn't. If there were campaigns or actions that worked well, do more of them! Of the things that weren't effective, identify where the campaign fell short and try again. If you're still not seeing the desired results, move on to something new.

## Initiating inbound marketing

Inbound marketing focuses on creating and sharing content, leveraging the power of the internet and social media to distribute educational content via blogs, whitepapers, case studies, eBooks and more. Many IT service professionals have leveraged the benefits of these inbound marketing techniques to help expand their business:

**Blogging:** The effectiveness of blogging is the ability to share your thoughts about your business directly with your customers at a very specific level.

**eBooks:** Long-form content pieces similar to white papers, but with a more conversational tone and enhanced design elements. You're reading an eBook right now!

**Whitepapers:** These formal, long-format content pieces have a more scholarly tone.

**Content topics:** When thinking about what to write about you'll want to identify pain points or feedback from your target personas so the content you create relates to your audience.

**Google AdWords:** Google's ad service allows advertisers to bid on certain keywords in order for their clickable ads to appear in Google's search results.

**Landing pages and Call to actions (CTAs):** Regardless of how you are reaching out to your prospects, most times you'll be directing them to a landing page with a call to action (CTA).

» Search Engine Optimization (SEO): Creating compelling, relevant content is the best approach to Search Engine Optimization (SEO). However, if you want to enhance your SEO you can hire an expert.



## Adding outbound marketing efforts

Despite the relentless growth of inbound marketing, it shouldn't be the only pillar of your marketing plan. The most effective modern marketing programs involve combining a mix of both inbound and outbound marketing techniques.

**Referral Program:** One of the most affordable and effective outbound marketing tools is word of mouth. People are more likely to want to work with you if someone they trust has recommended you.

**Events:** Organizing events can be another good way to reach your potential prospects. Whether it's a golf day or a tech fair, the breakout sessions at either can facilitate discussion and growth.

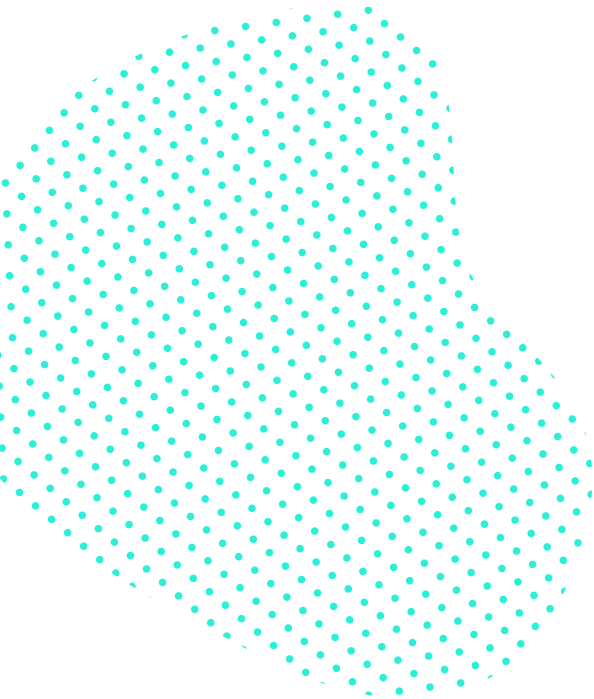
**Newsletter and emails:** Quarterly company updates and announcements can keep prospects informed without being overly "salesy".

**Talks and presentations:** Sending a C-level executive to speak with an industry group can really raise your MSP's profile.

## Keeping score

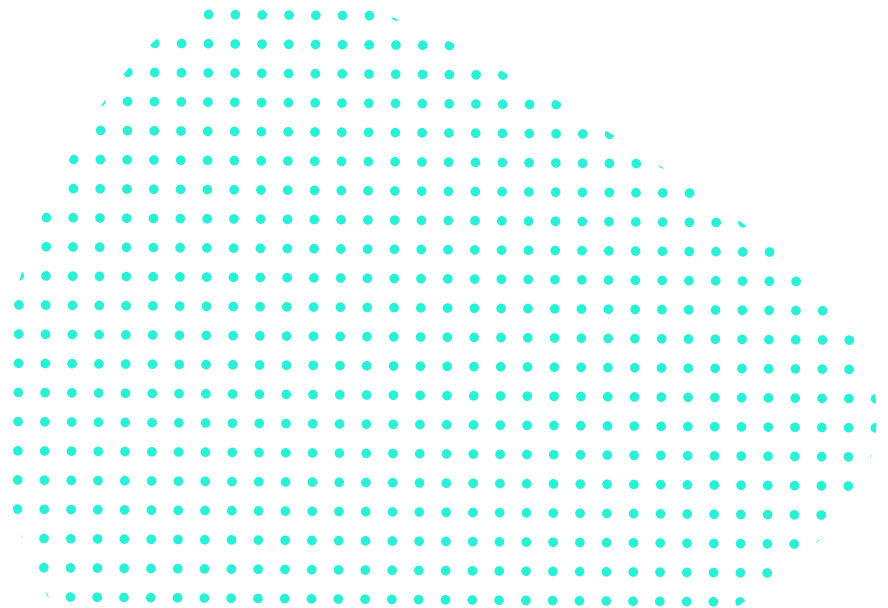
Once you've implemented your marketing program, it's important to measure the results. This allows you to adjust your spending wisely to ensure that you are reaching your targets and meeting your goals.

Traditional marketing metrics include customer acquisition, PR clips and lead generation. Digital measurements involve web statistics and analytics, pay per click information, SEO tool feedback and Google alerts. Social media metrics come in the form of likes, views, retweets and favorites.



If you're just beginning, start with some basic activity metrics, like the number of unique visitors to your website, page views, search engine traffic, bounce rate (% of visitors who come to your site and then immediately leave before clicking on any other pages) and conversion rate. At its core, your marketing plan should be generating leads and ultimately customers, so those should be key metrics to monitor.

Putting together a marketing program to build your MSP business can appear to be a daunting task. However, there are many partners out there who can help. The diversity and variety of traditional and digital options ensures there's an appropriate mix for you. Choose the ones you're most comfortable with, monitor activity, and adjust as needed.



# 3 SELLING

## The ultimate guide to successful sales

If selling isn't your favorite part of being an MSP, you're not alone. Most MSPs have a technical background rather than one in business or sales and struggle with this critical aspect of running a successful business. Growing your business quickly is especially important when you're just getting started in the managed services space. While some growth might occur organically through word of mouth, this isn't going to guarantee you consistent new business, even if you deliver great services.

To ensure predictable growth, MSPs should take a proactive approach. This is where a sales strategy comes in. The primary goal of sales is to generate new business for your company. For MSPs in particular, sales and marketing aren't just about closing deals. Since MSPs sell services, a big part of the sales process should be about identifying and engaging the right prospects. We've pulled together the key sales strategies for MSPs looking to increase profits and drive new business.

### Build sales expertise

There are two ways to build sales expertise—hire someone with sales experience or train existing staff to sell like pros. If you are serious about sales and growth, hiring a skilled sales staff can make a substantial difference. However, if you can't afford to hire a new employee, identify and train sales representatives from within. Who knows, you might just have a sales rockstar within your reach and you don't even know it!

Many MSPs don't have the bandwidth to focus on sales and business development. Your staff already has their hands full doing what they do best—monitoring, improving and repairing current clients' IT infrastructures. If they do have any free time to devote to sales efforts, it is unlikely to be consistent enough to have a real impact on business development because their efforts can't be sustained.





This is an issue, but a resolvable one. It comes down to carving out time to make it happen. One way to do this is to delegate. Choose someone on your team with sales experience and let that person lead the charge for business development.

If you don't have an opportunity to move a current employee to sales full-time, another option is to encourage the technical staff to be actively involved in the sales process. After all, they have the most contact with current clients, which means they may be able to identify potential sales opportunities better than anyone else.

### Develop a sales process

Developing a sales process is another essential step towards sales success. The specifics will differ from business to business, but generally speaking, a sales process is a repeatable set of steps salespeople follow to move potential clients from a prospect to a customer.

The stages of the sales process typically include the following:

**Lead generation/prospecting:** This is the process of generating and qualifying leads. This may involve researching potential clients, cold calling and inbound marketing efforts.

**Initial contact:** The goal of initial contact is to gather information about the company's specific needs and further qualify the lead's potential to become a customer.

**Technical presentation:** This stage is a formal presentation or demonstration of what is being sold. For new customers, it might feature several technologies depending on the customer's specific needs. This step is reserved for well-qualified leads.

**Close:** Closing the deal includes getting buy-in from decision-makers, negotiating price, etc.



## Track sales progress to hit goals

Tracking sales daily, weekly and quarterly ensures that potential opportunities do not slip through the cracks. It's also the most effective way to hit goals. Meeting goals is the measure of sales success—setting and tracking progress towards goals is the standard and most effective way to ensure sales accountability. Many companies use the customer relationship management (CRM) tools native to their professional services automation (PSA) software to track and report on sales progress toward goals.

If you are not yet using a PSA tool, and you are getting serious about sales, this might be the tipping point for adopting the software. Many shops that are making the transition from break-fix to MSP adopt PSA and RMM (remote monitoring and management) software in the process. PSA tools like [Autotask PSA](#) give MSPs the functionality to manage client relationships, track the sales pipeline and monitor other key business metrics.

CRM tools provide automated alerts aimed at preventing common mistakes, such as not following up with potential clients or checking in with current ones. The alerts can be configured to each salesperson's specific needs. Automating these alerts creates a roadmap of sorts for salespeople to follow to communicate with customers. CRM also ensures accountability among sales staff. Since the software tracks every activity as it is performed, everyone is on the same page, and you can monitor salespersons' progress toward their goals.



## Sales incentives

Sales incentives represent the flip side of the sales success coin. Compensation plans motivate salespeople to close more deals. Typically, sales compensation plans feature a base salary and a commission, which is tied to their success in bringing in new clients or renewing current customer contracts.

You should look at individual salespeople rather than the group as a whole when coming up with incentive plans. Be certain to utilize a CRM tool to automate alerts for reps and track their progress toward sales goals. This is probably the single most important step you can take when building a sales program for your business. Tracking sales activity keeps sales accountable and regular meetings with sales staff allow you to address issues as they emerge rather than after it's too late. Make sure that the goals you define are specific and well-documented.

A killer sales strategy is the most effective way to ensure consistent, predictable growth for your MSP business. However, the right sales process will vary by business. Ensure the specifics of your business dictate the foundation of your sales structure and process. It pays to make sure that your sales staff is educated on best practices and incentivized to grow your business. Happy selling!

## CONCLUSION

According to [Datto's Global State of MSP 2022 Report](#) 95% of your peers say it's a good time to be a MSP, and we agree. But we also understand the challenges of growing your business. Following the tips in this eBook will help you generate new business opportunities.

At Datto we've helped over 35,000 MSPs grow their business and would love to help you become a success story as well. [Reach out](#) if you're ready for a partnership.