

EBOOK

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The Ultimate MSP's Guide to Sales & Marketing





In this eBook, Carrie Simpson, the founder and CEO of [Managed Sales Pros](#), shares some of her wisdom for MSPs. Carrie has over 20 years of cold calling experience and supports a team of 30 lead generators. Her team makes over 40,000 outbound MSP prospecting calls per month. For more information, Contact Managed Sales Pros: hello@managementsalespros.com or 1-844-266-2624



COLD CALLING TIPS FOR SUCCESS

Despite what you may have heard, cold calling is very much alive and well. Every market is different, every vertical buys differently, but MSPs that focus on net new (vs. referral based) business development generate as much as 500 percent ROI after investing two years in outbound prospecting.

So, why do some MSPs succeed in outbound prospecting while others flounder? What do great MSP sales organizations do that their counterparts don't? In this eBook, we'll address some key points and offer suggestions on how to make meaningful changes to your sales process.



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Cold Calling Made MSPeasy
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GREAT MSPs UNDERSTAND THEIR SALES CYCLE IS CHANGING

As managed services move quickly towards a commodity-style sale, traditional sales forecasting is becoming less accurate, leading to poor decision making. Ten years ago, the MSP sales cycle was shorter. It was primarily a land grab—not everyone had a provider they were already engaged with. The idea of an outsourced provider and a flat rate solution was new to many companies, which meant that most of the sales process needed to be focused on educating your prospect on the concept of managed services. Explaining the service, why it was beneficial, what they could expect—this made up the lion's share of the sales cycle. When you are connected with a decision maker, a great sales pitch could win the deal quickly. This led to sales forecasting built around stages, deals with predictable close dates, and a sales cycle (post first sales appointment) of under 90 days. In many cases, it required a skilled (read: pricey) sales executive—one with the correct combination of both soft skills and technical knowledge. If you look at the companies that thrived instead of flatlined, it is likely you'll find a charismatic, sales-focused principal who took ownership of the sales process and focused efforts there.

Today, the MSP sales process has changed. Almost every company that is technology-dependent or technology-strategic has a solution provider. This change has led to the beginning of the sales cycle being considerably shorter, and this brings with it a new challenge because the end of your sales cycle is getting less predictable and much longer. Now, most of the work falls on the tail end of the sales process – the part you're used to breezing through.

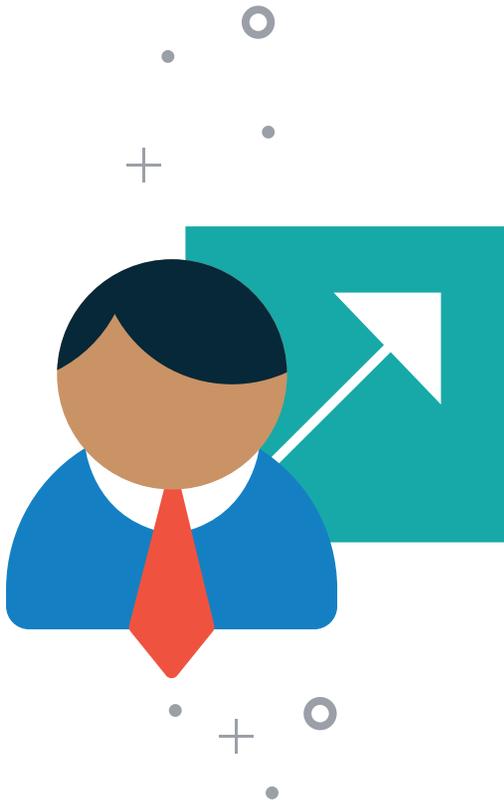


So, how do you adapt? First and foremost, you need to create a sales culture that values “showing your work” and data integrity. If you aren’t building a proper pipeline and entering all information about interactions with your prospects, it will be difficult to measure success. The new sales process is contingent upon information that includes contract end dates and competitive information. It requires attention to detail, comprehensive notes, and well-executed follow-up. MSPs who understand this can forecast how much business they’ll win within two years, not two quarters. Plan your sales process around your sales cycle and ensure everyone understands the value of data integrity.

HOW TO GROW AND PRESERVE REVENUE

One of the biggest challenges for MSPs is preserving and growing revenue coming from current clients. When adding new clients, that’s a reason to celebrate. However, if your revenue is stagnant as you add new business, there’s something wrong. According to MSPCFO, a business intelligence platform for MSPs, the largest driver of growth in monthly recurring revenue (MRR) is the growth of existing customers. 60 percent of your growth should come from your base while about 40 percent should come from new opportunities.

Your client base shouldn’t churn so quickly that new business is replacing lost business. If you aren’t keeping up with your clients as you add new business, your top line will remain flat and your bottom line will shrink. If you’re experiencing the flat revenue line that comes with a revolving door, focus on your services before you make any further investments in sales and marketing.



Most of your business-building expenses are centered around acquisition, not maintenance. In fact, most of the expenses that will move your bottom line are centered around finding, nurturing, and winning new business. Your client-retention costs are minimal compared to your client-acquisition costs.

Consider the expenses associated with finding new business. Lead generation, sales development, marketing, proposal development, and presentation. These are costly from a “things we have to purchase” standpoint and an “opportunity cost” standpoint. The better and faster you can onboard clients, the more likely it is that you’ll keep them. Once your clients are successfully on-boarded and satisfied, you can start up-selling them. Is every client on your roster buying everything you sell or are you going in conservatively with lower-end package deals, afraid to ask them for larger commitments? Have you successfully developed your service offerings so you can show your clients the value that comes along with a larger investment?

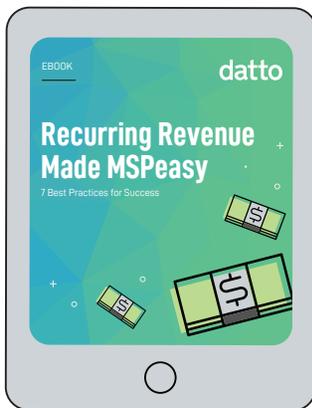
If 60 percent of your growth is coming from current clients, that still leaves 40 percent of your growth to new business. Make yourself a list of areas to improve. Assign a team to ensure you’re fixing everything on it. Then go out and hit your competitors’ client lists with a line card of reasons they may want to consider changing providers. Using well-thought out and well-timed questions about their onboarding experiences and their levels of satisfaction with their current providers will go a long way towards you adding new business to your roster. Fix the hole in your bucket, and pretty soon you’ll need another bucket.



Referrals can differentiate successful MSPs from their counterparts.



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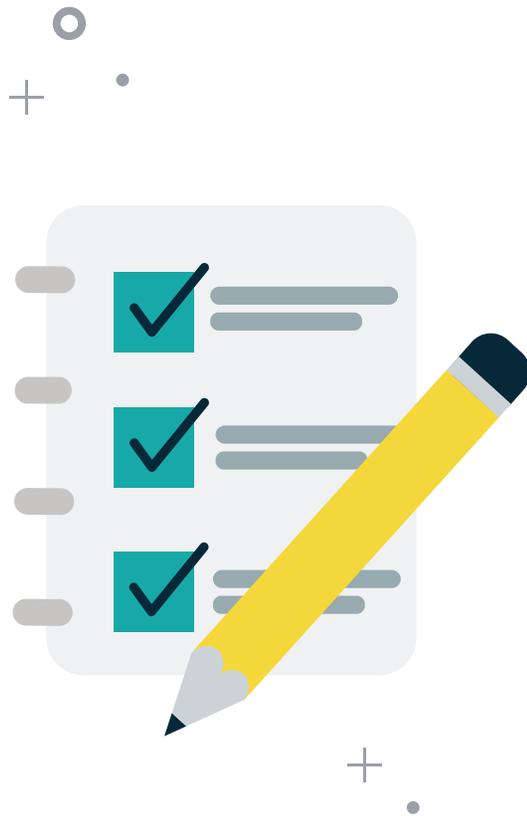
GENERATE OUTSTANDING CUSTOMER REFERRALS

Referrals can differentiate successful MSPs from their counterparts. Instead of waiting for a friend or client to walk leads to their door, sales-focused MSPs actively seek out referrals. So, how do you go from accepting occasional passive referrals to aggressively building a powerful referral network? It's not difficult, but it requires some work. The first step in the process is turning your focus inward.

Let's start from the premise that every company has three types of clients:

- **Happy Evangelists** are outgoing, and likely well-known in their community. In fact, they are probably the clients who are already actively sending you referrals. They are fans of your services, and they don't mind telling anyone who will listen.
- **Already Gone** clients are vocal about their dissatisfaction. They have already made the decision to leave and they are just finishing out their contract. These are the clients you should have released when things started to turn badly. They're writing bad reviews and taking up a disproportionate amount of your time.
- **Danger Zone clients** make up the other clients on your roster. Very few clients will discuss your performance with you unprompted. That means for every one client that outright tells you they're unhappy with you, there may be more who aren't saying a word.

Your competitors don't want your Already Gone clients and they can't have your Happy Evangelists. However, they can get to your Danger Zones. Here's the good news—it's not hard to turn a Danger Zone client into a Happy Evangelist.



Take your clients through a detailed customer service survey. Ask specific questions to lead them to provide measurable, quantifiable facts about your services. These questions can include "Can you share with me what network changes were most helpful to your business? How much money do you estimate we were able to save you this year? Who on our team do you most enjoy interacting with? Why do you like them? Can you tell me what you have enjoyed most about working with us? What do you think separates us from your last provider?" Finally, can we do better?

The survey responses should help you identify the clients on your roster who are truly happy and the ones who are considering leaving. This allows you to begin rebuilding those potential "one foot out the door" relationships and preserving those customers.

Once you've gathered all this information, you have some work to do. You have to create case studies and testimonials from your most positive customer service survey results. Meet with your client, present your findings, and ask them to sign off or edit the content of your new materials as they desire. **NOW THE IMPORTANT PART:** Ask them for referrals.

You've met with your client, established they are happy and know WHY they are happy. You've done all the work to create something that fairly represents the facts that they've shared with you. They've agreed they love working with you, and they've agreed to publicly state that. The next step is to ask them if they know anyone who could benefit from your services. If they are responsive, consider asking them for specific introductions to people in their network. The easier it is for your clients to refer business to you, the more likely it is that they will.



Start on social networking sites like LinkedIn. Make a short list of the people you'd like to do business with whom your client is connected to and share that list with your client. Ask them how they would approach each one. Then get started connecting!

Finally, remember that when building your referral network, reciprocity is king. If you start asking for referrals, you need to begin actively engaging with your community and gathering referrals for the people who are sharing them with you. Become known as the person who is invested in the success of everyone they speak to and watch your referral network (and your MRR) grow.

CONCLUSION

With the right combination of cold calling, understanding the correct KPIs, customer referrals, and growing revenue, you'll be on your way to new levels of sales success as an MSP. After all, using the data in front of you and listening to your customers will go a long way in improving your operations and reaping the benefits down the road.