

# MSP

## MARKETING MUSCLE



FirstCall

WE MAKE *Marketing* BETTER!

# WHY

you don't have it?

more importantly

# WHAT

to do about it?

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## Prologue

This is written for the owners of Managed Service Providers (MSPs) and Managed Security Service Providers (MSSPs) with annual revenues between two million and ten million dollars.

If this is you, chances are the business has grown consistently, but without predictability or command of lead generation.

As an owner, you've overseen the maturation of many other departments and functions through growth stages:

- Intake/Triage
- Support/Help Desk
- Projects/Professional Services
- Account Management
- NOC
- SOC
- Etc.

Despite growth and sophistication in these areas, lead generation and marketing functions are still in a developmental stage, and because of that business development and net new sales functions are too.

Core questions are there, but have not been addressed:

- What is marketing?
- What is success in marketing for our firm in the next six, twelve, twenty-four, or thirty-six months?
- Who's accountable for what? What's the plan? What are the metrics? What's the plan to be successful? Who's doing the work? What are our costs? Is it aligned with the organization?

Undoubtedly, you've tried different campaigns and tactics at different times: cold calls, emails, mailers, association events, etc. You've launched a website or two. Hired someone to go out and get business. But it's not a marketing program that produces predictable first-time appointments with qualified prospects.

You may even have a Marketing Assistant, Coordinator, or Marketing Manager. For most MSPs, these employees are young, hardworking, and smart. But they don't fully understand the business, what it offers, the problems it solves for customers, or the customer's journey, pains, or needs. They also struggle to align the organization's Owner, Executive, or Directive-level people strategically, tactically, and financially.

Hopefully, you are in a peer group where you can share victories, defeats, ideas, struggles, and, at a minimum, get some relief that you aren't the only one struggling to build a predictable, cost-effective lead-generation program.

Maybe some of these pitfalls are familiar:

- **Website:** Bought something cookie-cutter, and now you feel it looks professional but doesn't represent you authentically. Or maybe you had something more custom-built, but it hasn't evolved based on data, analytics, and lead generation.
- **SEO:** Paying for an SEO service but unsure what they do, why they do it, but they charge for it, and it sounds complicated, so they must know what they are doing. Right?
- **Analytics:** What data you do get is data, not information, and it certainly doesn't result in actionable business insights. Even the people who understand it have a hard time translating it into what needs to be done to help the business win new prospects.
- **Prospect List:** You know who your existing clients are. You know what industries you currently serve. You struggle to build lists of prospects that are a good fit, in part because you are unsure what you would do with the list if you had it beyond sending them an email or a copy of your newsletter.
- **Marketing Development Funds:** You know they are available from some of your key vendors, but you struggle to know how to request it, how much to request, and how to give them assurance you are helping them and not just yourself.
- **Competition:** You know who they are. You have visited their website and played the comparison game. If you like your site better than theirs, it gives you a feeling of winning. If you don't, you feel like you're losing.
- **Brand:** Colors, logo, and tagline are professionally done and displayed on materials, vehicles, etc. The approach produces consistency and relative comfort for those who interact with it, but certainly not memorable interactions, authenticity, or preference in the market space.
- **Campaigns:** It's a struggle to define what one is, let alone successfully execute them. If they don't quickly bear fruit, they are quickly dismissed as ineffective or cost prohibitive.
- **Referrals:** Sit and wait. Hope and pray. Nice surprise.
- **Social Media:** TikTok, Facebook, Twitter, LinkedIn: You either do it but don't know why, let alone how to do it successfully, or you don't do it and can't believe other people do.
- **Marketing and Sales:** Whether you have owner-led sales/third-party vendors or Business Development Executives and a Marketing Person: They are friendly but siloed: they don't think the same, speak the same, share priorities, align their plans, or teach each other at the level needed to succeed.
- **Paid Ads:** The more you do, the more questions you have, and the more money you spend. Plenty of clicks but not conversions. You wonder: is this how people buy? Or is this how people search? The money that is flowing from your pocket answers the question, but you don't know if you should stop, change, or invest more.
- **Marketing Strategy:** You preach all day, every day, the importance of IT strategy, planning, budgeting, standards, and alignment to your clients. You sell on the value an experienced vCIO,

vCISO, or Client Account Manager brings to the table. Yet when it comes to marketing, you haven't yet subscribed to the same medicine.

- **Tools:** You are an MSP or MSSP owner: you love tools. They are shiny, the cost is predictable, easy to sign up with, and they demo so well, offering miraculous benefits during the pitch. They make you feel you are doing something, spending something, but in most cases, they are a distraction from the work of strategy, brand, planning, and execution of prospecting, marketing, and generating qualified leads.
- **Content:** You want better content: page copy, blogs, case studies, e-guides, videos, social posts. Artificial intelligence has helped cut time to market and costs, but more and faster doesn't seem to be the trick either.
- **Peer Groups:** While positive information is being shared, friction exists in how people report on their numbers and communicate their growth. It can be hard to figure out who is driving growth systemically and predictably, versus who is just growing, making it hard to replicate a recipe. This problem is compounded by differences in markets, offerings, priorities, owner mentality, size, profitability, risk appetites, industry niches, etc. You learn, and learn what is possible, but you also realize predictable marketing success is elusive for many and not a copy-paste for your group members.
- **Hired a Salesperson:** but struggled to mentor, manage or align their skills and compensation to the needs of the MSP. Money spent but returns for the business and the salesperson: few and far between.
- **Hired a Marketing Person:** got fresh ideas and energy on brand, the website and other existing properties that needed a refresh but struggled to get one person who could align strategy, brand, execution and had all the skills needed both digitally and non-digitally to drive the outcomes directly or through 3<sup>rd</sup> party vendors.
- *A special note for marketing and salespeople hired into an MSP that isn't ready for them. Owners often give these folks a bad rap because "the outcomes weren't there and that's what they were hired to do." That's nothing more than the blame game. Been there, done that. These people must be set up for success and have a proven model they can operate in with a team to work with. If they are simply a hired gun to go out and fight the battle, they will get shot down.*

**The above is an incredibly long list and can be simplified:**

- *I have no marketing strategy, plan or execution.*
- *I have some marketing strategy, plan and execution but it isn't working.*

MSP/MSSP owners quickly become overwhelmed and even disheartened. It's very similar to how our MSP/MSSP clients feel about IT and Cybersecurity. The answer for your clients:

- Establish the right team, fulfilling the correct functions, mature the infrastructure and the operations so the outcomes are consistently there.

The answer for the MSP/MSSP business owner is the same.

The only question now is: will you establish the right team, get them fulfilling the right functions, mature the marketing infrastructure (digitally and non) and establish the operations so the outcomes are consistently there so you can consistently scale?

This will give you and your people more choices and more command of not only lead generation and biz dev, but also of the business as a whole.

**Good news:** most of your competitors won't choose this path. They will settle.

**More good news:** you don't have to have 100% market share. You likely need less than 5% to be very successful. Your ability to gain not just market share, but high-quality market share will dictate the value of your business non-financially as well as financially both when you own it and when you go to sell it.

**Even more good news:** There are digital marketing agencies out there like mine ([www.firstcall-web.com](http://www.firstcall-web.com)) and sales coaches and peer groups ([\(8\) Michael Cummings | LinkedIn](#)) who understand this space. You can form a deep relationship and work with them shoulder to shoulder. The same way your best clients work with your company and your team as an IT provider.

This e-guide was written for you. It was written by two people who have done the work, made the mistakes and had the blessings of overcoming them.

- Michael Cummings: a wise, blunt, caring and truth speaking business development coach who helps owners and business development executives achieve belief where there once was doubt: sales leadership, building human relationships, uncovering pain, qualifying, managing the sales process, and creating sales without it feeling like selling. ([\(7\) Michael Cummings | LinkedIn](#))
- Conor Smith: owner of an MSP in Montana with over 50 employees and 20% year-over-year growth. Owner of a digital marketing agency that has helped other MSPs (outside of Montana) establish a marketing program that consistently and predictably generates leads. Conor suffered years of marketing and sales misadventures. He'd like to help others avoid the same pain. ([\(8\) Conor Smith | LinkedIn](#))

## Introduction: This business is hard, no matter what you do.

If you have been around this industry for five, ten, or twenty years, you understand the challenges.

While predictable growth is not a magic pill, it does help address some fundamental things that tend to plague MSP owners.

Assume for a minute you know (with high confidence) that you are going to add one hundred thousand dollars in MRR (you pick the number) a year.

The confidence allows you to:

- Plan the work; work the plan: Hire in advance with confidence, solving the problem of oversubscribing your team. Positively impacting retention, stress, and management fatigue. Build more leaders and promote. Giving your people more career opportunities and clearer paths. Build an onboarding engine and experience versus an onboarding struggle.

- Manage customer risk: Change the game from panic city when you lose a significant client to knowing the number of months it will take you to re-establish that revenue. Provide greater discretion in the types of clients you work with. Allows you to drop the C's more easily while you add more A- and B-level clients.
- Improve cash flow: Make more investments in the business to fuel future growth, margins, diversification. Predictable returns for shareholders.
- Winning: It's a feeling that positively impacts your people, recruiting, retention, clients, shareholders, etc.
- More choices: Owners of MSPs/MSSPs with frequent, quality leads experience: Predictable forecasts and sales. Referrals and repeat customers. Many choices personally or professionally.

Business will continue to be hard, but hard in a way that is fulfilling and life-giving versus frustrating and life-sucking.

### **Commitment**

When you get married, you aren't really sure what you are committing to. Unless it's the second time around. 😊

Marriage is a lifetime commitment. So is marketing, assuming you continue to stay married to the business. Lifetime may be extreme, but building an A-level marketing program is a three-year commitment to move from design, build, launch to confidence, marketing, and true command. There are lots of leads and wins along the way, but it takes time, investment, people, processes, tools. MSP/MSSP owners don't want to hear this. They want this to be a six-month commitment, write some checks, turn on some stuff, and have leads come through.

These unrealistic expectations are the same things that lead to companies selling billions of dollars in quick fix fitness products to millions of Americans each year. However, Americans are largely walking around out of shape. Why? Because they aren't really committed to the reality of building good health and fitness.

Don't be that guy.

The steps:

1. Commitment (STP and First Call Web can show you what is possible)
  1. It doesn't matter what Michael, Conor or the man on the moon thinks. Mentally you must believe it is possible and commit to building it right & building it over time.
2. Marketing Gap Analysis: (STP and First Call Web can help you through this for hundreds of dollars)
  1. Evaluate where you are in marketing and where your competitors are in terms of digital marketing. This will show you the gaps and help the team define a plan on how to address the gaps.
3. Hire the right team (don't forget to put yourself in the right seat and be accountable)

1. Strategic (people who can define where the business, marketing, and sales are and where they need to go next)
2. Managerial (people who can manage the execution of the people, processes, tools, and outcomes)
3. Tactical (people who do the work effectively)
4. Establish Strategy, Tactics, and Schedule.
  1. Define where you are going, how, and what happens when.
5. Get your brand and brand elements right.
  1. A brand is simply how people feel about the company when there are interactions. MSP/MSSP brands should be authentic to the organization's culture, geography, industry (if there are niches), and not only create trust (these people can help me), but also likeability. Logos, taglines, and a professional website are brand elements, but they are not a brand strategy or brand execution.
6. Execute on the plan.
  1. Hit your milestones, get wins and gain confidence.
7. Continue what's working and add more advanced stuff to take your marketing fitness and command to the next level.
  1. Do more of what's already working and add more sophisticated tactics and campaigns as ways to boost performance even more.

The above process of building a marketing function for your business is hard and takes time and requires a milestone-based approach. But it's hard in a way that is fulfilling and life-giving, versus frustrating and life-sucking.

## Milestone #1: Service Delivery

You aren't ready to build a marketing program if:

- the “dogs” don't like your dog food.
- your “chocolate cake” recipe isn't yummy.
- The “band” sounds out of sync and under practiced.
- the “house” isn't in order or the “foundation” is cracked.
- your “garden” is full of weeds and rocks.
- the “inn” isn't warm and hospitable.

Successful marketing and marketing campaigns will only worsen the business's problems if Service Delivery isn't there.



Successful marketing will create additional weight of unmet expectations, negatively affecting your people, trust, pride, quality, and the bottom line.

What we don't want:



What we do want:



### Service Delivery Fitness Evaluation:

Please review the following and make a mental checklist. On track or off? If off, what actions are needed?

- ✓ Is customer retention high?
- ✓ Are agreements meeting gross-margin profitability standards?
- ✓ Are you consistently fulfilling your commitments?
  - Delivering what you have promised?
  - Meeting key performance targets for key delivery processes?
  - Onboarding
  - Intake/Triage/Dispatch
  - Support
  - Centralized Services
  - Account Management

- Cybersecurity
- Projects
- Accounting
- ✓ Would customers write a positive Google review?
- ✓ Would they serve as a reference? Following onboarding? Following a year of service?
- ✓ What percentage of time are owners spending managing service delivery on a day-to-day operational basis?
  - 0 percent
  - 25 percent
  - 50 percent
  - 75 percent
  - 100 percent

## Milestone #2: Shared Understanding of MSP/MSSP Marketing Program

If Service Delivery is performing well and you are ready to build a marketing program, the next milestone is to simply understand what marketing is and how it fits into an MSP. This may seem like a section you can skip over because we assume we know what marketing, sales and even service is but we strongly recommend that you slow down, digest the following and attempt to re-think and re-frame.

John Jantsch, a marketing expert, owner of a marketing agency, and community “Duct Tape Marketing,” has written several books for small businesses:

- "Duct Tape Marketing: The World’s Most Practical Small-Business Marketing Guide" (2006)
- "The Referral Engine: Teaching Your Business to Market Itself" (2010)
- "Duct Tape Selling: Think Like a Marketer—Sell Like a Superstar" (2014)
- "SEO for Growth: The Ultimate Guide for Marketers, Web Designers, and Entrepreneurs" (2016): Coauthored with Phil Singleton.
- "The Self-Reliant Entrepreneur: 366 Daily Meditations to Feed Your Soul and Grow Your Business" (2019)
- "The Ultimate Marketing Engine: Five Steps to Ridiculously Consistent Growth" (2021)

He is well known for his emphasis on the "Know, Like, Trust, Try, Buy, Repeat, Refer" marketing framework, which he outlines in his book "Duct Tape Marketing." This framework represents the stages a customer goes through in their journey with a business, from first discovering it to becoming a loyal advocate.

### DNA of a Marketing Program



Applying this framework to the MSP/MSSP business model helps us all better understand our business.

### Marketing:

- Consistently creates know/like/trust with qualified prospects over time and consistently generates qualified leads.
  - Know: Prospects need to be aware of your MSP/MSSP.
  - Like: If they don't like your MSP/MSSP, they won't do business with it.
  - Trust: If they don't trust your MSP/MSSP, they won't do business with you.

### Sales:

- Try: MSPs need prospects to meet with them. A try is typically considered:
  - Discovery meeting: In a discovery meeting, the two parties are simply trying to learn: Do we have a reason to meet formally? Casual discussion to learn: Is there pain? Is it something we can help solve?
  - First-Time Appointments (FTAs): In an FTA, the two parties have already agreed there is a reason to meet; the goal in these meetings is to:
    - Set the Stage: Agree on what will happen during the meeting, what will happen after the meeting if there isn't a fit or if there isn't one.
    - Uncover pain: Dive deeper into their pain and the impact it is having on the business.
    - Discuss solutions.
    - Talk money.
    - Decide if there is a reason to meet again.
  - Tries could come in other forms for an MSP:
    - If you are hosting an event: Did they attend?
    - If you have a booth at the association event: Did they stop by?
    - If you have digital content: Did they read, watch, subscribe, like, connect, download, click through, scan, or follow?
    - If you called: Did they have a conversation?
    - If you emailed: Did they read it?
    - If you left a voicemail: Did they listen?
    - If you had a webinar or you spoke at an event: Did they attend?
    - If you sent them a case study of how you've helped someone else in their industry: Did they read it?
- Buys:

- Did they become an agreement customer? Strongly recommend MSP/MSSP owners keep buying success this simple. The investment you are making is not successful if you simply sold a single, one-time transaction or even a few one-time transactions to a new client. The math doesn't work out. More on that below.

## Service

Repeat:

- Are they still a customer after onboarding? Was the service a win for them? Your people? Financially?
- Are they still a customer after one year? Was the service a win for them? Your people? Financially?

Refer:

- Traditional referrals from clients are MSP gold. Clients refer based on their service delivery experience. MSPs/MSSPs with very little in terms of marketing gain traditional referrals. So, why not simply focus on great service and referrals? The answer: It simply isn't enough leads to drive adequate growth and offset client attrition, nor is it predictable.
  - MSPs should expand their definition of a referral as they build their marketing program and predictably drive:
    - Google Reviews
    - Testimonials (written or video)
    - Customer-approved case studies
    - Personal introductions to people they know that you'd like to know.
  - Referrals not from customers, but from strategic alliances who may be servicing the same industry as you. Example: Lawyers, CPAs, Software Vendors, ISPs, Copiers, etc.
  - These referrals cannot simply be hung up hoping someone walks by and sees them. They must be put in front of prospects in different ways to create know/like/trust.

## Marketing Program Fitness Evaluation:

Review the following and make a mental checklist. On track or off? If off, what actions are needed?

- ✓ Owners and other stakeholders have a shared definition of what marketing is for an MSP/MSSP.
- ✓ Owners and other stakeholders are committed to building a marketing program.
- ✓ Realistic growth expectations for the next twelve months have been set and communicated for net new monthly recurring revenue and client account growth based on average account size.
- ✓ Marketing and Sales are aligned and see themselves as a revenue team that needs to work together to produce results.
- ✓ An evaluation has been performed of the existing marketing efforts, competitors' marketing endeavors, and client preferences, creating some actionable insights.
- ✓ The following components are in place to consistently create know/like/trust with prospects:
  - Strategy
  - Brand
  - Plan/Schedule

- Content
  - Campaigns
  - Tactics
- ✓ The people, processes, and tools are ready and operating with minimal friction.
  - ✓ Confidence and belief are growing with each lead produced.
  - ✓ Command of the marketing program is established as winning becomes consistent and predictable.

### Milestone #3: The never-ending math equation

MSPs and MSSPs need consistent leads and consistent sales of net new monthly recurring revenue agreements. Math is extremely important in setting clear goals that the marketing and sales programs can fulfill. Below is an outline of how to "do the math."

1. Make a list of all your agreements for your core offering(s), including the monthly revenue associated with each agreement.
2. Sort the list by revenue.
3. Exclude your largest accounts and your smallest accounts (only the outliers).
  - Of the remaining accounts, what is the average agreement revenue for a "typical" account? How many "typical" accounts do you have?
    - For the purposes of this exercise, assume it's three thousand dollars in monthly recurring revenue, and you have seventy typical accounts.
  - Now take the average of the largest accounts. What is the average agreement revenue for a "large" account? How many "large" accounts do you have?
    - For the purposes of this exercise, assume it's ten thousand dollars in monthly recurring revenue, and you have seven.
  - Conclusions:
    - For every ten typical accounts, you have one large account.
    - Typical and large account monthly recurring revenue: \$280,000.

Next:

- Choose a growth rate for the next twelve months.
  - 15%: \$322,000
    - You'd need to add \$42,000.
    - Using your ratio of typical to large accounts, you need to add:
      - Ten to twelve typical accounts
      - One large account

- 25%: \$350,000
  - You'd need to add \$70,000.
  - Using your ratio of typical to large accounts, you need to add:
    - Sixteen typical accounts
    - Two large accounts
- 35%: \$378,000
  - You'd need to add \$98,000.
  - To hit these numbers, we'd recommend that you change up your ratios:
    - Twenty typical accounts
    - Four large accounts

The next step is to figure out your close rate. It is important that you don't use your historical close rate, as that is typically inflated. Why? Those leads are usually coming from existing client referrals; these have extremely high close rates and are typically never competitive.

For the purposes of this exercise, we are going to a close rate of 25% on qualified leads, meaning they have pain, are the right size, and need to solve their problems one way or another.

To hit these numbers, you'd need the following numbers of qualified leads, assuming a 25% close rate:

- 15%: \$42,000
  - Forty to forty-eight leads of typical accounts. That's four per month. One first-time appointment per week.
    - Plus
  - Four leads for large accounts per year. One per quarter.
- 25%: \$70,000
  - Sixty-four leads for typical accounts. That's more than five per month.
  - Eight leads for large accounts per year. Two per quarter.
- 35%: \$98,000
  - Eighty leads for typical accounts. That's six to seven per month.
  - Sixteen leads for large accounts per year. Four per quarter.

The owners of the business must do the marketing math and invest in a marketing program that can successfully drive this level of qualified leads and have a business development salesperson (role or position) with the time and skills to meet with these prospects and manage the sales process to a decision.

Additionally, owners need to analyze the cost of sales and marketing for this net new revenue team. Here is an example breakdown of our three scenarios.

15% Growth:

Total Existing MRR	\$280,000.00
Growth Rate	15.00%
MRR at the end of the year	\$322,000.00
New MRR	\$42,000.00
Contract Term	36
Total Contract Value (TCV)	\$1,512,000.00
% Commissioned Cost of Sale	6.00%
Cost of Sale	\$90,720.00
% Cost of Marketing	4.00%
Cost of Marketing	\$60,480.00
% Cost of Sales and Marketing	10.00%
Cost of Sales and Marketing	\$151,200.00

25% Growth

Total Existing MRR	\$280,000.00
Growth Rate	25.00%
MRR at the end of the year	\$350,000.00
New MRR	\$70,000.00
Contract Term	36
Total Contract Value (TCV)	\$2,520,000.00
% Commissioned Cost of Sale	6.00%
Cost of Sale	\$151,200.00
% Cost of Marketing	4.00%
Cost of Marketing	\$100,800.00
% Cost of Sales and Marketing	10.00%
Cost of Sales and Marketing	\$252,000.00

35% Growth

Total Existing MRR	\$280,000.00
Growth Rate	35.00%
MRR at the end of the year	\$378,000.00
New MRR	\$98,000.00
Contract Term	36
Total Contract Value (TCV)	\$3,528,000.00
% Commissioned Cost of Sale	6.00%
Cost of Sale	\$211,680.00

% Cost of Marketing	4.00%
Cost of Marketing	\$141,120.00
% Cost of Sales and Marketing	10.00%
Cost of Sales and Marketing	\$352,800.00

Note: obviously more large accounts sold gets you to your goal faster, however the large account market size is smaller and opportunities when they are ready to buy are typically fewer and farther between than typical accounts. Said differently, be careful seeing the easy math as an easy path.

### Marketing Math Fitness Evaluation:

Review the following and make a mental checklist. On track or off? If off, what actions are needed?

- ✓ Understanding of the Existing Client Base: Owners have thoroughly examined their existing client base, identifying both the averages and ratios of typical to large accounts. This understanding forms the foundation of the growth strategy.
- ✓ Clear Growth Plan: A growth plan for the next 12 months has been set, grounded in realism and achievability. This takes into consideration both the maturity of the marketing program and historical production, ensuring that the targets are aligned with what the company can realistically achieve.
- ✓ Agreed Upon Close Rate: A close rate has been mutually agreed upon, taking into account a mix of qualified cold, warm, and hot leads. Unlike the solely hot leads, who are in pain, referred, and ready to buy, this balanced approach offers a more accurate picture of the expected close rate.
- ✓ Defined Lead Targets: The revenue team, comprising both marketing and sales, knows precisely how many leads they need to generate. This includes specific targets for both typical and large client prospects on a monthly and quarterly basis. The team's commitment to consistently meeting these targets is crucial to the plan's success.
- ✓ Investment in Resources: Owners are making the required investments in people, processes, and tools needed to execute the plan and achieve the desired outcomes. This includes ensuring that the right skills and tools are in place and that the team operates with minimal friction.

### Milestone #4: The chasm

Most MSPs reach a sales ceiling that falls between \$2 million and \$4 million in annual revenues. This achievement typically comes from gaining four to six new clients a year through referrals and basic lead generation strategies, such as website search. However, the same number of clients might leave the business, go out of business, or be acquired, leading to stagnation.

The conclusion is clear: the old model that got you to where you are won't suffice for growth beyond that point.

Here are the basic imperatives:

- Service Team and Leadership: They must deliver quality, pride, retention, and expansion. A strong foundation in these areas ensures that clients are satisfied and engaged, paving the way for potential growth.



- **Business Development Revenue Team and Leadership:** This includes the following critical components:
  - **Marketing Program:** There must be a strategy in place to generate enough leads and qualified appointments. This involves utilizing various marketing tactics tailored to reach the target audience effectively.
  - **Peer-Level Sales Executive:** This role must be capable of human-to-human prospecting and managing the sales process to a close rate of 25 percent or better. Skillful navigation through the sales cycle, understanding client needs, and offering compelling solutions are key to achieving this success rate.

How marketing works:

- Reach people with specific problems that align with the company's solutions and engage them with a compelling solution.
- Help them gain the confidence to try and buy by establishing trust and demonstrating value.
- Enhance their customer experience and encourage them to buy again and even refer us.

What is marketing's job?

- **Predictably Engage Customers:** The aim is to consistently connect with prospective clients, leading to a predictable addition of \$1.5 million to \$3.5 million in new MSP/MSSP agreements annually.

Team Composition:

- **Leadership:** Marketing Director and Marketing Managers for both digital and non-digital channels.
- **Specialists:** Includes Content Boss, Graphic Designer, SEO Specialist, Digital Advertising Specialist, Paid Ad Specialist and Web Developer.
- **Business Development:** A Business Development Executive with both marketing (hunting, prospecting, relationship-building) and sales (managing the process, attending meetings, closing deals, meeting quota) responsibilities.

Implementation Strategy:

- **Balancing In-House and Outsourced Talent:** Utilizing fractionalized services from third parties and keeping specific roles in-house can make an effective marketing team affordable.
- **Role of Business Development Executive:** This cannot be outsourced but may be fractionalized as part of the owner's role up to a certain point. This has both risks (e.g., lack of time, inadequate skills, reliance on personal experience versus a proven process, disruptive transition when they look to replace themselves) and benefits (e.g., perceived as a peer-level executive rather than a salesperson).

The strategy emphasizes the importance of a well-coordinated marketing effort that is capable of reliably generating new revenue. This isn't easy or simple, which is why so many MSPs fail to cross the

chasm. It requires a diverse skill set, careful planning, and strategic alignment between marketing, sales, and ownership.

This roadmap will overcome the MSP/MSSP stagnation that can occur in the \$2m-\$4m revenue range and outlines a growth-oriented approach that leverages both in-house talent and outsourced expertise. By focusing on targeted outreach, relationship building, and consistent execution, businesses can create a predictable revenue stream and foster growth.

### Net New MRR Marketing and Sales Fitness Evaluation:

Review the following and make a mental checklist. On track or off? If off, what actions are needed?

#### Understanding Marketing:

- ✓ Define target customers with specific problems.
- ✓ Develop strategies to build customer know, like trust.
- ✓ Plan approaches to encourage repeat business, expansion and referrals.

#### Predictable Engagement:

- ✓ Set a predictable target for new MSP/MSSP agreements.
- ✓ Develop a robust strategy involving planning, skill sets, and execution.

#### Team Composition:

- ✓ Appoint Marketing Director and Marketing Managers/Coordinators/Assistants (digital and non)
- ✓ Hire or contract specialists: Content Boss, Graphic Designer, SEO Specialist, Digital Advertising Specialist, Web Developer, Paid Ad Specialist.
- ✓ Define the role and responsibilities of the Business Development Executive.

#### Business Development Strategy:

- ✓ Plan hunting, prospecting, and relationship-building strategies.
- ✓ Set a sales process including meeting attendance, deal closing, and quota fulfillment.

#### Implementation:

- ✓ Evaluate the balance between in-house and outsourced talent.
- ✓ Assess the risks and benefits associated with the owner's role in Business Development.

#### Growth Beyond Stagnation:

- ✓ Assess the current revenue stage and identify potential stagnation points.
- ✓ Commit to service quality, customer retention, and expansion.
- ✓ Plan a business development strategy that includes lead generation and peer-level sales execution.

#### Leadership Commitment:

- ✓ Ensure dedication to the growth imperatives.
- ✓ Engage in continuous learning about marketing and sales programs.
- ✓ Evaluate the required investments in people, processes, and tools.

## Conclusion

Managed Service Providers (MSPs) and Managed Security Service Providers (MSSPs) must adapt and innovate to transcend the common sales ceilings and drive consistent growth. The pathway to success lies in understanding the customers' problems, assembling a dedicated team, executing a robust marketing strategy, and employing a hands-on revenue growth plan. The above checklists serve as a comprehensive guide to building a marketing and sales infrastructure that is not just reactive but predictably generates revenue.

Whether you're just starting out or need to overhaul your existing processes, the time to act is now. Reach out to Conor and Michael and your peers, engage in continuous learning, and invest in the resources that can make your growth targets a reality. The future of your MSP/MSSP is in your hands.

We help owners, marketers and business development get in the zone. Turn your marketing and business development program from survive to thrive.

## Are you committed?

This is not a trivial question. Conor and Michael aren't built to work with hundreds or thousands of MSPs. That's not our goal.

Our goal is to work with 20-30 MSPs at any given time to help them grow predictably, to give them more choices, freedom, gratitude, and the ability to make a positive impact on their employees, community and loved ones. We only want to work with MSPs/MSSPs who are committed.

If you are committed. Please reach out to schedule time for a marketing leadership gap analysis and or a marketing gap analysis. Their assessments will help you understand where you are and provide some coaching on where to focus for both short term and long.

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## Additional Resources

### Glossary of Terms

**\$2m-\$4m Revenue Range:** A typical sales ceiling for many MSPs, a stage at which growth often stagnates without strategic changes.

**Balancing In-House and Outsourced Talent:** A strategy that blends internal team members with external services to create an efficient marketing team.

**Brand:** The overall perception and emotional response consumers have towards a company and its products or services. It encompasses elements like logo, taglines, and overall identity.

**Business Development Executives:** Professionals responsible for growing a business through relationships, marketing, and sales.

**Business Development Revenue Team and Leadership:** Those responsible for increasing revenue through marketing, sales, and business expansion strategies.

<b>Buys:</b> The stage where the prospect becomes a customer, entering into an agreement with the MSP/MSSP.
<b>Campaign:</b> A planned set of marketing activities with a specific goal, such as promoting a new product or increasing brand awareness.
<b>Chasm:</b> A metaphorical barrier or gap that many businesses fail to cross, preventing growth.
<b>Close Rate:</b> The percentage of leads that successfully convert into agreement clients.
<b>Coach:</b> A professional who guides and supports a person or group in achieving a specific personal or professional goal, like growth in the business.
<b>Commissioned Cost of Sale:</b> The percentage of the TCV that is paid out as commission and salary to the sales team.
<b>Content Boss:</b> A professional responsible for overseeing the creation, editing, and management of content within a marketing strategy.
<b>Content:</b> Various forms of media, such as blogs, videos, and social posts, used to engage audiences and promote a brand.
<b>Conversion:</b> In digital marketing, the action of converting a website visitor into a lead or customer.
<b>Cost of Marketing:</b> The budget allocated for marketing activities to drive leads and sales.
<b>Cost of Sale:</b> The absolute dollar amount paid out in compensation for sales.
<b>Cost of Sales and Marketing:</b> The combined total of both sales and marketing costs.
<b>Digital Advertising Specialist:</b> A professional who plans and executes online advertising campaigns.
<b>Digital Marketing Agencies:</b> Firms that specialize in online marketing, including SEO, content creation, social media management, and more.
<b>Digital Properties:</b> Online assets owned and controlled by a business, such as websites, social media accounts, and a Google presence.
<b>Discovery Meeting:</b> An initial, informal meeting to determine whether there is a reason for further engagement.
<b>E-guide:</b> An electronic guide, often used to provide education, and information helpful to someone in a buying stage but needing additional confidence in an area to proceed to the next stage.
<b>First-Time Appointments (FTAs):</b> Meetings that go deeper into understanding the customer's needs and exploring potential solutions.
<b>Fitness Analogy:</b> Compares building an A-level marketing program to personal fitness, illustrating the importance of realistic expectations and commitment to the process.
<b>Fractionalized Services:</b> A strategy where a company uses a combination of in-house and outsourced

services to meet specific needs without hiring full-time staff for each role.
<b>Google Reviews:</b> Public feedback and ratings on Google's platform, reflecting customer satisfaction and reputation.
<b>Investment in Marketing Program:</b> The financial commitment required to generate the targeted number of qualified leads.
<b>Know, Like, Trust, Try, Buy, Repeat, Refer Framework:</b> A model by John Jantsch representing the customer's journey with a business, including awareness, affinity, trust, trial, purchase, loyalty, and advocacy.
<b>Marketing Development Funds:</b> Funds provided by vendors to support marketing activities.
<b>Marketing Program:</b> A planned and coordinated set of activities and processes that promote an organization's products or services.
<b>Marketing Strategy:</b> An organization's strategy that combines all of its marketing goals into one comprehensive plan.
<b>Milestone-Based Approach:</b> A method of managing projects or processes by breaking them down into measurable and achievable stages or milestones.
<b>Monthly Recurring Revenue (MRR):</b> The predictable and recurring revenue earned each month from an agreement.
<b>Net New Revenue:</b> Additional revenue derived from new agreement sales, excluding existing or renewed contracts.
<p><b>Outbound and Inbound Tactics:</b> Marketing strategies aimed at either reaching out to potential customers (outbound) or attracting customers to come to you (inbound).</p> <p><b>Common inbound methods for MSPs:</b></p> <ul style="list-style-type: none"> <li>- Content Creation: This can be blog posts, videos, infographics, podcasts, etc., tailored to the interests and needs of the target audience.</li> <li>- Search Engine Optimization (SEO): Ensuring the content is easily discoverable by users searching for relevant topics or keywords.</li> <li>- Social Media Marketing: Using platforms like X, Facebook, Instagram, and LinkedIn to share content and engage with the audience.</li> <li>- Lead Nurturing: Using tools like email marketing to nurture leads through the sales funnel.</li> </ul> <p><b>Common outbound methods for MSPs:</b></p> <ul style="list-style-type: none"> <li>- Paid Ads</li> <li>- Direct Calls</li> <li>- Direct Emails</li> <li>- Direct Mail</li> <li>- Network Events</li> <li>- Association Events/Tradeshows</li> </ul>

- LinkedIn Social Prospecting
<b>Paid Ads:</b> Online advertising for which a business pays a fee, typically based on the number of clicks or views.
<b>Peer Groups:</b> Groups of professionals who share information, experiences, and advice with each other.
<b>Prospecting:</b> The process of a Business Development Executive identifying and creating know/like/trust with potential customers.
<b>Qualified Lead:</b> A potential customer that has been identified as fitting the target profile, having a genuine need/want for the service, and can afford it.
<b>Refer:</b> The act of recommending the MSP/MSSPs services to others, including traditional referrals, Google Reviews, testimonials, customer-approved case studies, and introductions.
<b>Sales Ceiling:</b> A point of revenue that becomes difficult to exceed due to existing methods and strategies.
<b>Sales Authority:</b> A Sales Authority is a subject matter expert specializing in specific product offerings who plays a crucial role in the sales process by leveraging their expertise to identify underlying customer pain points and present tailored solutions. Distinct from the Business Development Executive they are often brought into a qualified appointment to focus on the analytical and consultative aspects of sales, offering insights and recommendations that align with customer needs and contribute to informed purchasing decisions.
<b>SEO (Search Engine Optimization):</b> The practice of increasing a website's visibility in search engine results to attract more visitors.
<b>SEO Specialist:</b> A professional responsible for optimizing a website's visibility in search engine results to increase traffic and potential sales.
<b>Service Team and Leadership:</b> The professionals responsible for delivering quality service and maintaining client relationships.
<b>Specialists:</b> Experts in specific areas such as content creation, SEO, digital advertising, and web development.
<b>Strategic Alliances:</b> Collaborative partnerships with other businesses or professionals, such as lawyers, CPAs, Software Vendors, ISPs, Copiers, which may lead to two-way introduction and referral sharing.
<b>Strategic/Managerial/Tactical:</b> Three levels of marketing planning and execution within a business, involving long-term planning, overseeing execution, and hands-on work, respectively.
<b>Tactics and Schedule:</b> The specific methods and timeline used to achieve goals and execute strategies.
<b>Tactics:</b> Specific actions or methods that are part of a broader strategy to achieve a goal.

<b>Testimonials:</b> Written or video statements from satisfied customers, endorsing a product or service.
<b>Total Contract Value (TCV):</b> The total revenue expected from a contract over its full term.
<b>Tries:</b> Various interactions and engagements where the potential customer is exploring the MSP/MSSP's and its offerings.

## WORKSHEETS

If you would like me to email any of our worksheets or spreadsheets, please email me [csmith@firstsolution.com](mailto:csmith@firstsolution.com) or reach out to me on LinkedIn.

These tools are a great place to start:

- Marketing Leadership Gap Analysis Tool
- Marketing Gap Analysis Tools
- Buyer Journey Strategy Tool

## Acknowledgements

The MSP industry has wonderful people, resources, peer groups, industry groups, knowledge sharing, key vendors and founding members who have been invaluable to those of us who participate in it.

We are the sum of the people we meet and our own gifts. This MSP soup is full of flavor, calories and plenty of substance to carry us through the challenges and opportunities.

### Peer Group Members

Probably the best investment we can make because the returns aren't just financial. Thank you to all the people who have participated in peer groups, shared their struggles and their gifts. Where would we be without the people who have been where we want to go, save us from pitfalls, or who can truly identify and empathize with the challenges of the day. Forever grateful.

### Taylor Business Group

Taylor Business Group (TBG) is a coaching and peer group firm that specializes in helping IT service providers, particularly Managed Service Providers (MSPs), to grow and manage their businesses effectively.

They offer various services, such as business coaching, strategic planning, financial analysis, and sales and marketing support. Their coaching and peer group methodologies are tailored to the unique needs of IT service businesses, helping them to increase profitability, efficiency, and growth.

The group's consultants typically have direct experience in the IT industry, which allows them to understand the unique challenges and opportunities that IT service providers face. Through workshops, one-on-one coaching, and group collaboration, Taylor Business Group helps IT businesses develop strategies and best practices that align with their goals and the ever-changing technology landscape.

## TruMethods

TruMethods is a company founded by Gary Pica and Bob Penland that provides business training and a technology framework for Managed Service Providers (MSPs). They offer coaching, processes, and software tools to help IT service companies grow their business and streamline operations.

TruMethods aims to help MSPs standardize their service offerings, increase profitability, and build value within their companies by focusing on areas like service packaging, pricing strategies, and sales process improvement.

Their framework is designed to help MSPs transform their business model and gain a competitive edge in the industry by providing an ongoing support and coaching structure. The information and insights provided by TruMethods are intended to guide MSPs in making informed strategic decisions and optimizing their service delivery.

## Technology Marketing Toolkit

Robin Robins is the CEO and Founder of Technology Marketing Toolkit, Inc. This company offers various products and services to IT services businesses to help them with their marketing strategies.

The Technology Marketing Toolkit itself is a package that includes templates, how-to guides, strategies, and other tools designed specifically for technology services providers. It aims to help them market their services more effectively, attract more clients, and grow their business.

The toolkit may include a combination of physical materials, online resources, webinars, and coaching to help technology businesses identify their target markets, develop compelling marketing materials, and implement proven marketing strategies.

Robin Robins and her company have become known for providing specialized marketing support for the IT industry, and many IT service providers utilize her materials to help shape their marketing efforts.

## IT By Design

Not only are Kam and Sunny great at what they do, they are also great marketers and gift givers. I don't know anyone in the industry who helps others give back in a way that helps create financial and non-financial benefit for all.

## Industry Conferences

Too many to list but nuggets of wisdom and knowledge are always gained. Thank you to the people who manage these events and to the vendors who make them possible.

## Key Vendors

Connectwise, Kaseya, Datto and others who have built their businesses on MSPs but have also given a lot back in the process both in good and difficult times. I for one believe there is heart in capitalism, in part because of these people and their efforts over decades.

## Authors

Michael Gerber, Gino Wickman, John Jantsch, Vern Harnesh, Patrick Lencioni – while none of these authors solve the problem of marketing and sales, they do a lot to lead us towards systems and behavior that help MSPs succeed in business and in life. Their teachings have undoubtedly impacted thinking and execution on marketing and sales.