

Selling Managed Services

6 TIPS
to Reinvent
Your
Sales Pitch



ConnectWise®

[ConnectWise.com](https://www.ConnectWise.com)

Introduction



Sell the Value of Managed Services

Technology solution providers (TSPs) need the right technology. The “rip-and-replace” model for systems simply won’t work in the future. Small businesses, medical offices, schools, and retailers are searching for partners that can help them navigate rapidly evolving cloud and mobile technology, monitor compliance issues, and increase efficiency. This is your opportunity to swoop in with your new monthly service offering! It’s a win-win: you’re solving their challenges and generating recurring revenue for yourself.

ConnectWise has helped more than 5,000 TSPs create new practice areas for managed services to build upon their monthly recurring revenue. We’re confident that with the right tools and support, incorporating managed services into your existing portfolio is easy. Use these strategies and tips to sell the value of managed services to your clients.

partnership
+ strategies

1 Overcome Price Concerns



Be prepared for both existing and prospective customers to have objections to the price of your monthly service offering. In a small business, every dollar counts, and you're asking customers to spend more money. Retail business owners might not yet understand the value associated with the concept of monthly services, which is why educating them is incredibly important.

Sell Excellent Service

It's important to convey that your service offering is really all about service. That might mean outlining the level of support and availability you will provide to your client, or it might mean codifying service terms in a formal agreement. And if you've got a great track record, show it off. Put prospects at ease by talking about other customers in their area you've serviced. This will establish you as an experienced solution provider in your field, which leads to our next point ●●●

1 Overcome Price Concerns

continued

••• Sell Peace of Mind

Speak to your clients on an emotional level. Express to them how they can relax knowing you'll be on top of any technical issues before they become problems. Giving your clients peace of mind about technology so that they can focus on other aspects of their businesses is a big part of the value proposition for your monthly service offering.

A Remote Monitoring and Management (RMM) tool can help you deliver peace of mind to your clients. RMM proactively monitors your client's network environment and provides alerts when things are amiss. You can set up your RMM to automatically resolve routine issues before your client even knows about them.

Break Down the Numbers

It's easier for people to digest the cost of anything when it's presented as monthly payments rather than an annual lump sum. Present the costs of your as-a-service offering in the context of the value and service levels you're delivering. It's also important to give the monthly total the customer can expect to be invoiced. This helps to establish trust, plus it enables your customer to budget for the service accurately. No one likes hidden fees, so give them an accurate monthly total to expect.

Talk About Results, Not Tech

In a sales conversation, don't speak technology, speak benefits. Most retailers don't understand business technology and don't have the time to figure it out themselves; they just want to see real results in their stores or restaurants. Sell retail business owners the ability to refocus on their core business and more easily achieve business goals.



2 Reframe Customer Concerns and Get to YES!



When you give your best pitch and a prospective client says their technology “works fine” or that your services cost too much, it’s time to reframe their definitions, according to Gary Pica, founder of TruMethods training for managed services providers. Before starting TruMethods, Pica transformed his own IT business to generate \$500,000 per month in recurring revenue.³

To reframe these common objections, start by talking to your client about what “fine” should mean:⁴

- None of their software or hardware crashes and it performs predictably.
- Their vendors call them back promptly, every time.
- They have the right technology to improve productivity and the right vendors to help them reduce business risk and costs.

Next, redefine “real costs”:

- The bill from the vendor is not the only “cost” associated with their technology.
- The biggest cost of poorly functioning technology is what it costs in people and productivity.

Now paint a picture to reframe how your services would benefit the client and attach a value to it. Ask tough questions to help tip the balance for your client from the emotional, irrational fears that lead to “no” toward the logical, rational decisions that lead to the sale.



3 Sweeten the Deal with Haas

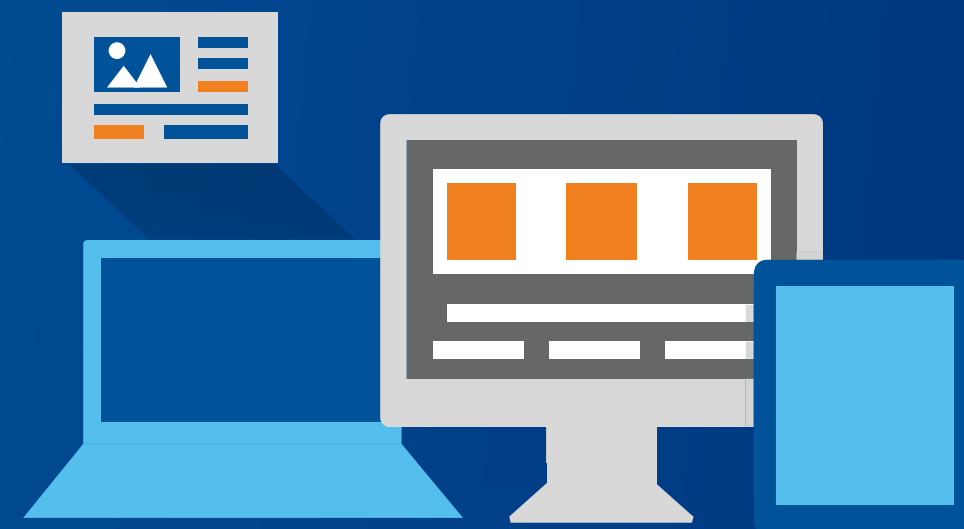
Hardware as a Service (Haas) can help you demonstrate extra value and get your retail clients and prospects to sign a long-term service contract. Here's how this sales strategy works: if a customer agrees to sign a monthly managed services agreement, you'll upgrade their servers POS terminal, PCs or other hardware after three years—at no additional expense.

It's a win-win for you and the client. Your clients will be delighted to be using the latest hardware without having to budget for these capital expenditures. And you increase client stickiness and reduce the chances of customer churn. Why would they shop around after year one or two if they're so close to getting new hardware?

The best part of this strategy is that it doesn't have to cost much. If you obtain the Haas contract, the impact on your cash flow is minimal.

Spread the Cost of Hardware with Haas

If you're providing hardware as part of your services package, you might be worried about the upfront capital needed to acquire the inventory. Rather than lay out a huge upfront investment, partner with a Haas provider, such as CharTec, to lease the hardware you will provide to clients. You won't need to keep an expensive inventory and you'll pay for hardware each month as your recurring revenue is coming in.



4 Set Your Company Apart from the Competition

Are you worried that if you push managed services, your clients might turn to a lower-priced provider or use multiple technology vendors? As clients become more brand agnostic and process-oriented, they simply want to know that the technology they use will get them the business results they desire. And that's something they can't do on their own without wasting a ton of time.

When pitching to your clients, know your **USP**. A USP, or **Unique Selling Proposition**, describes the qualities that are unique to your service offering and what differentiate you from your rivals. But don't make the mistake of relying on being a certified dealer for a specific hardware or software as your only USP. Your USP must be explained in terms of service, not price, and that the value you provide comes from being an expert your clients can reach out to at any time.

Sell Yourself as the Go-To Vendor

If you work in a vertical market, you're in a great position to sell yourself as a trusted vendor for their particular niche. That's a big part of your USP. Clients want to simplify and focus on their businesses. Technology is not their core mission; it's only a tool.

What should relying on you as their one and only vendor mean for your clients? It means they don't need to worry about technology anymore. Explain the amount of time and energy you'll invest to understand every piece of their business and how you will help them choose the best technology to support their business objectives. If issues come up, they only need to make one phone call.



Another Option: Vendor Management

If you can't get your client to move their business from another vendor to you, ask to manage the other technology vendor relationships. This might include their internet service provider, merchant processing service, website host, VoIP provider, or others. You probably already receive calls from your client whenever these services are disrupted. Why not get paid for being the man in the middle and save your clients frustration, too? This might be an easier first step for clients who are unwilling to make the leap to having you provide all technical services.

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Transitioning Existing Clients

How do you change the mindset of your existing clients to encourage them to adopt managed services?

Work the Transition in Stages

Don't expect the transition to happen overnight. You have to plan for this to be a long-term project. Develop a goal for the amount of monthly recurring revenue you want to achieve in the first year and then execute your plan:

- Start by pitching monthly services to brand new clients
- Then transition the most-willing clients
- Continue to educate the rest over time, nurturing them to understand the value of a service contract

Dealing with Legacy Clients

Solution providers who've made the transition are the first to admit they've lost some legacy clients along the way. If you want to succeed in the future, you must be willing to let some clients go—perhaps even loyal, long-standing clients.

To build monthly recurring revenue, you have to be firm about your company's objectives. Over time, you will part with clients who don't believe in your vision of a service-oriented future. It certainly isn't easy, but it will feel great when you get to the point where you can choose your clients and turn down less profitable business.



A Hybrid Approach

In some cases, turning away existing clients who won't sign a managed services contract might not be the right business practice for you. Instead, try a hybrid approach. Continue to provide break/fix service to existing clients who absolutely need it, but don't sell this business model to new prospects.

Help Customers Transition with RMM

Don't give up on selling managed services to your legacy clients. Try using your RMM solution to help clients understand the value of managed services.

- Install RMM on every PC.
- Provide your break/fix clients with free alerts, generated automatically by the RMM.
- Sit down with clients and explain what the RMM tool has been looking for, what it has found, and the cost associated with the issues.
- Clients can request service from you if they want you to address an issue.
- Clients also start to realize that everything is not "fine" with their computers and can begin to understand the value of managed service offerings for peace of mind.
- Leverage any increases in break/fix revenue to show clients the more predictable cost model of a managed services contract.

RMM

6 Give Yourself the Right Tools for Success



Moving your business from a rip-and-replace model to as-a-service is a challenging proposition. Make sure you've equipped your business with everything you need to make this transition as smooth as possible for yourself, your business, and your clients.

Confidence

You must believe in your own expertise and skills to make a convincing pitch to clients. Don't talk yourself out of a recurring revenue sale by believing that your clients won't be interested in what you're offering.

Technology

Automation is the key to delivering efficient, profitable managed services. In the future, the most successful solution providers will offer clients more services and manage these services with fewer employees. A business management platform, such as [ConnectWise Manage](#), provides the platform for managing projects, help desk, tickets and time, client invoices, and more.

Staff

Your business is about to make a big change and you're going to need 100% support from your employees. Just as with your clients, you have to be willing to let go of employees who don't believe in your vision or aren't willing to adapt to your new business model.

Community

You need a group of peers to help you discover best practices, identify industry experts, and share ideas. At ConnectWise, we believe community is one of the most important predictors of success—that's why we host 32 regional peer groups and our annual event, IT Nation. Attendees always leave with at least one takeaway that they can implement to improve their business.

Conclusion

This transition is a journey. There might be ups, downs, and bumps along the way, but your business comes out stronger and more sustainable on the other side.

At ConnectWise, our mission is to help you reach your goals. We help technology companies servicing a variety of industries set up their operations to build monthly recurring revenue without hiring additional staff. For additional resources, please visit www.ConnectWise.com.



Want to Learn More About ConnectWise?



Solve IT Problems at the Speed of Business »

Boost the effectiveness of your IT teams with a flexible remote monitoring and management solution. ConnectWise Automate provides greater visibility in your clients' IT networks and delivers the tools you need to automate your IT services. With Automate, you can perform any IT support or management task remotely, efficiently, and non-intrusively.

Keep Track of Your Agreements »

Keep your business in good standing by maintaining, tracking, and delivering on your agreements. ConnectWise Manage gives you the power to streamline your operations and shape your professional relationship, which means happier clients and a more consistent revenue stream. With the power to track time accurately, keep track of renewals, and know when agreements are running out, you'll be running more efficiently and keeping your good name in good standing. ConnectWise Manage allows you to automatically prioritize, track, and report essential information to keep your agreements in top shape, with customizable and flexible options that make it simple to meet your customers' needs.



About ConnectWise

ConnectWise transforms how technology solution providers successfully build, manage, and grow their businesses. Offering a comprehensive set of award-winning solutions that deliver a seamless, simple user experience, ConnectWise gives its partners the ability to increase productivity, efficiency, and profitability.

Just as importantly, ConnectWise's relentless commitment to innovation and unparalleled passion for partner success assure its partners have comprehensive business support through every step of their journey. Today, more than 120,000 users in over 50 countries take advantage of the competitive edge that comes from ConnectWise solutions and its powerful network of ideas and experts. For more information, visit www.ConnectWise.com or call 800-671-6898.

