

Varnex Fall 2017

Make the Transition from MSP to Business Service Provider

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Pivoting to Managed Business Services

Sell to the data value hierarchy
Become an expert on customer outcomes
Know more about their future than anyone else
Help them beat their competition
Understand and implement their business rules in I.T.

Business rules curation has more value than data curation

Orchestrate and protect their data, no matter where it exists

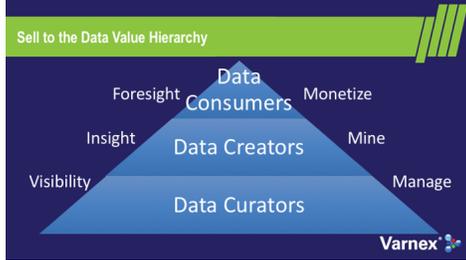
On-site, cloud, XaaS, mobile, IoT

Ask smart business questions

Smart questions beat product knowledge

Start with a business assessment.

Sell to the Data Value Hierarchy



Executive Temperament Drives Decisions

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	Objectives		Priorities				Criteria		
	KPI's	Role	Time Frame	Risk	Budget	Data	Know	Do	Feel
CIO	Uptime	Tactical: How & Who	0-1 yrs	Averse	Spend	Curate, Manage	Safe, Visibility	Innovate	Invisible
CFO	Cash flow, Compliance	Operational: Where, When & How Much	1-2 yrs	Aware	Audit	Create, Mine	Accurate, Insight	Control	Comfortable
CEO	Profit & Growth, Mission Accomplished	Strategic: What & Why	3-5 yrs	Accept	Set	Consume, Monetize	Vision, Foresight	Decide	Confident

Why Sell a Business Assessment...?

Why a paid assessment?
Scalable, profitable business model
High close ratios, High margins, Little competition, Short sales cycle
Let's you profitably sell subscription services
Pay your hunters to sell assessments and add new logos
Give them the lion's share of the assessment fee and nothing more
Pay your farmers to run the relationship
Use on-going margins to run the rest of the organization.

Why Sell a Business Assessment?

They can do this even if they're not considering an I.T. purchase
Create a Report of Findings
Adults don't argue with their own data.
Creates a road map
A thorough diagnosis: past, present, future
You talk with everyone
Data consumers, data creators, data curators
Budget creators and budget consumers
Operations, facilities, I.T., applications, end users
Ideally some board members

Expands your relationship: you become a trusted partner.

How to Successfully Sell Assessments

Don't sell to I.T.
Sell to the data consumers and data creators
Sell executives the desired business outcome
Flexibility and efficiency
Business growth
Reduced risk
Simpler and faster project execution
Better value and lower cost.

Prospecting Tools

Call your executive friends
Educational sessions and webinars
Speak at service and business clubs
Articles in your company newsletter
Articles in your local newspaper and business journal
Once you have the system tuned, turn loose your hunters.

Executive Tech Trends Briefing

Six slides in 30 minutes or less
Set the stage
Review trends
Ask high-gain, key questions
Close a business assessment
Breakfast briefings are best.

Getting the Executive Appointment

"You know how smart executives are always looking for ways to improve their company's results?
"I'm a business growth strategist with expertise in applying data analysis and management strategies that support your business goals.
"And the result is my clients can increase profits and grow with confidence. Who do you know that would find a data strategy discussion valuable?"

Data is the lifeblood of your business. When data stops moving, your business is at risk.

Data growth trends you need to know
Data management trends to manage change
What you and team require
Planning strategies
Reduce risk
Reduce cost
Increase data value.

Data Growth Trends

Exponentially increasing data growth
Virtual machines and virtual desktops
Data everywhere: Mobile devices, M2M, Internet of Things
Video everywhere: security, conferences, training
Augmented/Virtual reality
Disaster recovery and business continuity demands
Increasing compliance and archive mandates
Lots of duplication, nothing is deleted
Chain of custody
Lots of shadow I.T. to keep up with departmental demands
Increased demand for high-performance data analytics
Data centers at their physical limits – out of

power and cooling.

Data Management Trends: Next Generation Data Centers

Business-application centric versus I.T. centric
Map your roadmap to the tech, not the other way around
Visibility: monitor every aspect of I.T. and business
Agile: software defined everything
Self managing: adapts in real time to business demands
Hybrid of on-site, cloud I.T., XaaS
Issue: Data movement speed
Big data on-site, small data in the cloud
Requires new approaches to network, connectivity, and devices
Requires new approaches to orchestration, security, data protection, and business continuity.

How Could This Help with Your Operations?

Where are there gaps in your data management systems?
Where do you think that you're overspending?
Do you believe that you're getting your money's worth out of your data?

What could be the improvement?

How Could this Speed Your Plans?

What's holding you back from your mission? Is the barrier...
People
Process
Infrastructure
Capital
Intellectual Property
Data Analysis
Culture
Politics?

What Do You Want to Happen?

Invite us to conduct a strategic business assessment
My team interviews your team
I present our report of findings
We explore an action plan with a timeline that supports your business plans
What starting date would work for you?

What Should You Charge...?

Based on your business model
Compare and contrast
Signature level
What can the executive agree to without permission
Size based
Number of C-level X \$1,000
Number of Users X \$5
Number of Locations X \$2,000
Percent of Revenue
1 basis point
Cost Plus
Interviews
Tech assessments
Writing team
Presentation team
Sales team compensation
Competitive Pricing.

How to Conduct the Business Analysis Interviews

Schedule 60 minutes, perhaps more

First of the day appointments are best for top officers

Walk down the org chart

All C-level

Ask them to recommend others under them to interview

Record the conversation

"I'm going to record the conversation to make sure that I don't miss anything."

Ask about their culture and where they want it to be

Ask questions around objectives, priorities, and criteria

Ask about their key performance indicators

Ask about their competition

Why they win

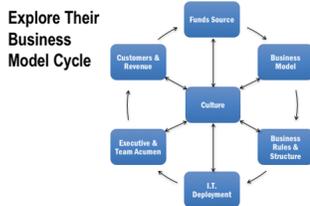
Why they lose

Ask about their business rules

Ask about what they want to start, stop, and continue

Ask about their timeframes

Identify technology that can accelerate their mission and vision.



The 7 Pillars of Successful Business

1. **Products** that create unique value for the target market
2. **Marketing** that triggers relevant conversations
3. **Sales** that facilitates mutually profitable transactions
4. **Service** that earns customer loyalty
5. **Operations** that scale with economic cycles
6. **Finance** that controls cash flow and funds the future
7. **Culture** that upholds a unique customer experience.

Adapting Your Analysis to Where They are in Their Business Life Cycle...

Launch

Cloud focused infrastructure

Creating culture, intellectual property, and business systems

Where can they eliminate friction in a targetable market?

What's the minimum viable market?

Expand

Where's the next market?

What's holding back their growth?

People, Process, Infrastructure, Capital, Intellectual Property, Data Analysis, Culture, Politics

Optimize

Where's the most profitable market?

What's holding back their profitability?

People, Process, Infrastructure, Capital, Intellectual Property, Data Analysis, Culture, Politics.

Adapting your Analysis to Where They are in Their Business Life Cycle

Pivot

Market chaser -> need analyzer -> tech developer

Where is there friction?

What needs to stop?

What needs to start?

What needs to be re-engineered?

Exit

Investor criteria: Will it predictably grow if we add money?

Create recurring revenue streams

Scalable systems

Well implemented business rules.

Where to Focus Attention for the Greatest Return

Profit Leverage Worksheet	1% change			Resulting Profit Leverage	Action	Profit Leverage
Sales	\$1,000,000	\$10,000	20.0%	Increase price, keep more customers	Sales	
COGS	\$350,000	-\$3,500	7.0%	Decrease COGS	COGS	
Gross Sales	\$650,000	\$6,500	13.0%	Increase Sales	Gross Sales	
Payroll	\$400,000	-\$4,000	8.0%	Decrease Payroll	Payroll	
Other Expense	\$200,000	-\$2,000	4.0%	Decrease Expenses	Other Expense	
NPBT	\$50,000	\$5,000	5.00%	5.00% Profits	NPBT	
AR	\$100,000	-\$1,000	0.01%	Decrease cost of funding AR	AR	
				6.0% AR Interest Rate		

Understanding Their Motivations

Objective – What and Why

What they must accomplish or avoid

Priorities – Where and When

In what order tasks get done

Criteria – Who and How

What creates value

How they'll make their decision.

Executive Discovery Questions: Objective

"What must you accomplish?"

"What are your top three initiatives?"

"How do they interconnect?"

"What will this be like when everything works correctly?"

"What does success look like for this project?"

"What are your key performance indicators?"

"What KPIs do you set for your team?"

"What's holding you back from accomplishing this? Is it people, process, infrastructure, capital, intellectual property, data analysis, culture, or politics?"

"What happens if you don't accomplish this?"

Executive Discovery Questions: Priorities...

Budget

"How do you set budgets?"

"What is your budget?"

"How did you arrive at this number?"

"What does it include?"

Attention

"Who's driving this?"

"Whose agenda is this?"

"Who's most impacted by this?"

Executive Discovery Questions: Priorities

Resources

"What have you done to get ready for this?"

"What resources are allocated to this?"

"Who has this as a key performance indicator?"

Deadline

"When does this need to be in place?"

"When does your team need to be trained?"

"When do you want to start?"

Executive Discovery Questions: Criteria

"How will you know what to choose?"

"How will you measure ROI?"

"What would you want to be guaranteed for you to be successful?"

Questions to Explore Criteria

"What are you using (or considering) now?"

"What do you like best about it?"

"What do you like least about it?"

"If you could have things any way you wanted, what would you change?"

"If you could do that, what would it mean to your situation?"

"What would motivate you to change?"

What's Next

What are the three best ideas from today's event?

What are you going to do first?

Let me know how it works and I'll invest 30

minutes with you to tune it up –

MarksSchedule.com

New Book!

MSPtoBSP.com

Connect with Me

Let's talk about your strategic planning, marketing plans, executive coaching, and customer acquisition systems.

Email: Mark.Smith@BijaCo.com

New Book: MSPtoBSP.com

Event: ExecutiveStrategySummit.com

Podcast: SellingDisruptionShow.com

LinkedIn: MarksOnLinkedIn.com

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