

# **MSP Pricing Survey:** **How Other MSPs Are Pricing,** **Structuring And Differentiating** **Their Managed Services Offering**



**Presented By:**  
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Technology Marketing Toolkit, Inc.



# Table Of Contents:

- ..... **1** Who Is Robin Robins And Technology Marketing Toolkit, Inc.?
- ..... **2** How And Why This Survey Was Created
- ..... **3** General Information About The MSPs Who Took This Survey  
And The Pricing And Structure Of Their Managed Services Plans
- ..... **4** What The MSPs Surveyed Include In Their Top-Level, All-Inclusive Managed  
Services Offering
- ..... **5** How To Attract More And Better Quality Managed Services Clients





1



Who Is Robin Robins And  
Technology Marketing  
Toolkit, Inc.?



# Who Is Robin Robins And Technology Marketing Toolkit, Inc.?

- We specialize in creating **strategic, sales-generating marketing campaigns**, tools and systems for companies that sell outsourced IT services and support (MSPs, VARs).
- Started working with IT firms in 2002; to date, over 8,000 **of them have enrolled in one or more of our services, workshops or programs.**
- We are the **largest and most successful marketing consulting firm** in the IT Services Channel.
- We are **routinely sponsored** by some of the largest corporations in the channel, such as Microsoft, Intel, eFolder, Sophos, Google, etc.



# Who Is Robin Robins And Technology Marketing Toolkit, Inc.?

- Based on **PAID attendees**, our annual event ([www.RobinsBigSeminar.com](http://www.RobinsBigSeminar.com)) is the 2<sup>nd</sup> largest event for MSPs and IT services firms in the channel.
- We have co-authored 4 **best-selling books** on IT services and cybersecurity with our clients.
- Several of our campaigns have generated **over a million dollars in sales for our clients**, and we have more documented client success stories than any other marketing or sales consultant in the IT Services Channel.
- **We Are Most Proud Of:** Our AMAZING community of hardworking, smart and generous IT services companies.





# 2



How And Why This  
Survey Was Created



# Why This Survey Was Created

We conducted this survey as part of our NEW Managed Services Blueprint launch ([www.Managed-Services-Marketing.com](http://www.Managed-Services-Marketing.com)). My goal is to help you see how your managed IT services plans stack up against your peers'. This document contains the results of the survey along with my comments and interpretation. Obviously, you can (and should) draw your own conclusions. I hope this survey will reveal two key things.

- 1) There is no “one” correct managed services model.** For years, MSP clients have come to me asking for the “perfect” or “right” model of what to include and how to charge. Problem is, there are SO many variables that affect service delivery and pricing, including (but not limited to) your operational efficiencies, your current abilities and skill set, the type of client you are selling to, marketing and sales costs, your competition, market area (downtown Los Angeles vs. Hattiesburg, MS), as well as the specific goals you have for your organization for growth, and whether or not you’re looking to sell your business in a few years OR just keep it. With so many variables to consider, what is a “good” model anyway? My advice is this: use this report and others like it to be educated about what most MSPs charge and/or include; but ultimately, you’ll have to make a decision and then monitor your service quality, client happiness and profitability on an ongoing basis and make adjustments accordingly.
- 2) BECAUSE there is little to no differentiation in the tangible services delivered, you MUST find a way to differentiate to maintain reasonable profit margins.** Naturally, quality of service is critical to keeping clients and fueling referrals; but prospects can’t “see” or experience your quality until AFTER the sale – which is why it’s so important to have a strategic marketing and sales process in place. If you want to know how to attract more clients, check out our Managed Services Blueprint program, which will give you a Marketing Roadmap to fueling managed services sales based on 15 years, experience, working with over 1,876 MSPs who have enrolled in that program.



# How This Survey Was **Compiled**

- This survey was sent to our house list of MSP clients and prospects who sell managed IT services.
- We asked those replying to report **ONLY** on their **TOP-LEVEL managed services offering** (all-inclusive, or often referred to as your “all-you-can-eat” pricing). This is because most MSPs have multiple service plans and levels.
- **665 people completed this survey** using SurveyMonkey.
- The only incentive offered to complete the survey was to get a copy of the results (no prizes or financial incentive was provided for taking the survey).



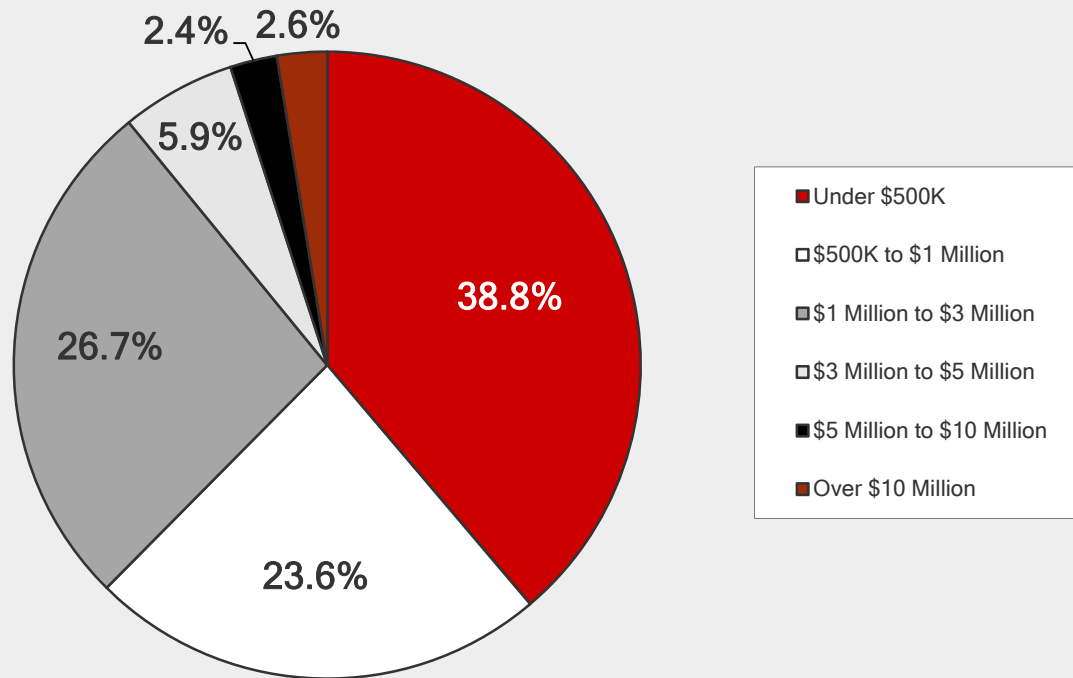


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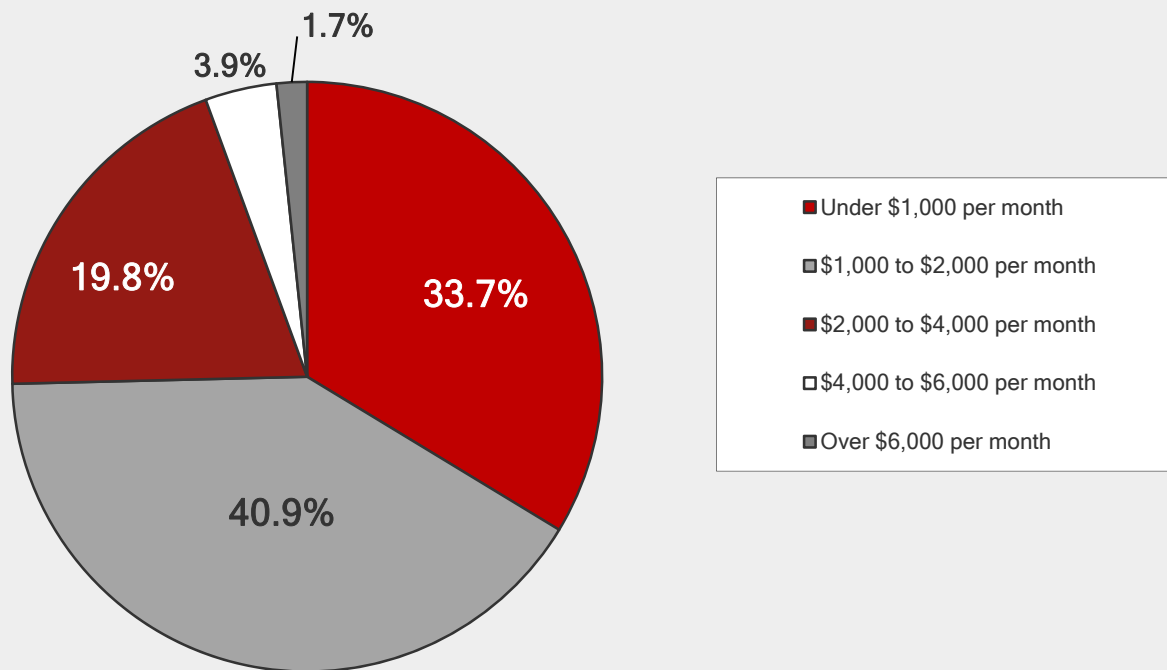
General Information  
: About The MSPs Who  
: Took This Survey  
: And The Pricing And  
: Structure Of Their  
: Managed Services  
: Plans



## How much TOTAL revenue did your company generate last year?



## What is your AVERAGE monthly managed services contract billing (MRR) per CLIENT?



# A Few Important Points About How To **Price Your Services**

**What to charge for your services is probably one of the biggest areas of angst and confusion for MSPs.** Should you charge a setup/onboarding fee? Should you charge to get their network up to par, or include it? How do you structure your pricing to ensure you're profitable without pricing yourself out of the market? How do you avoid locking YOURSELF into a contract that is unprofitable for you? Unfortunately, there are no easy answers because of the vast number of variables and choices that need to be made, but here are a few important things to keep in mind.

- **Most MSPs fail to be more profitable simply because of their emotional, negative beliefs about charging a premium rate.** Many FEAR they are asking for “too much,” or that “no one would pay THAT much.” They feel uncomfortable asking for money or selling, which is interpreted by the prospect as a lack of confidence or uncertainty. This is also why so many have difficulty in closing a sale.
- **There's no power in being second cheapest.**
- **While price IS a consideration point for prospects, it's NOT the SOLE DECIDING factor.** If everyone bought on price, the cheapest MSP in the market would own 100% of the business in your area – and that's simply not true. I have a LOT of MSPs who come to me complaining that they are getting price resistance while charging \$20 a workstation and \$80 a server. So UNLESS you truly ARE the most expensive in your area, don't think your fees are too high – work on improving your sales presentation and process.

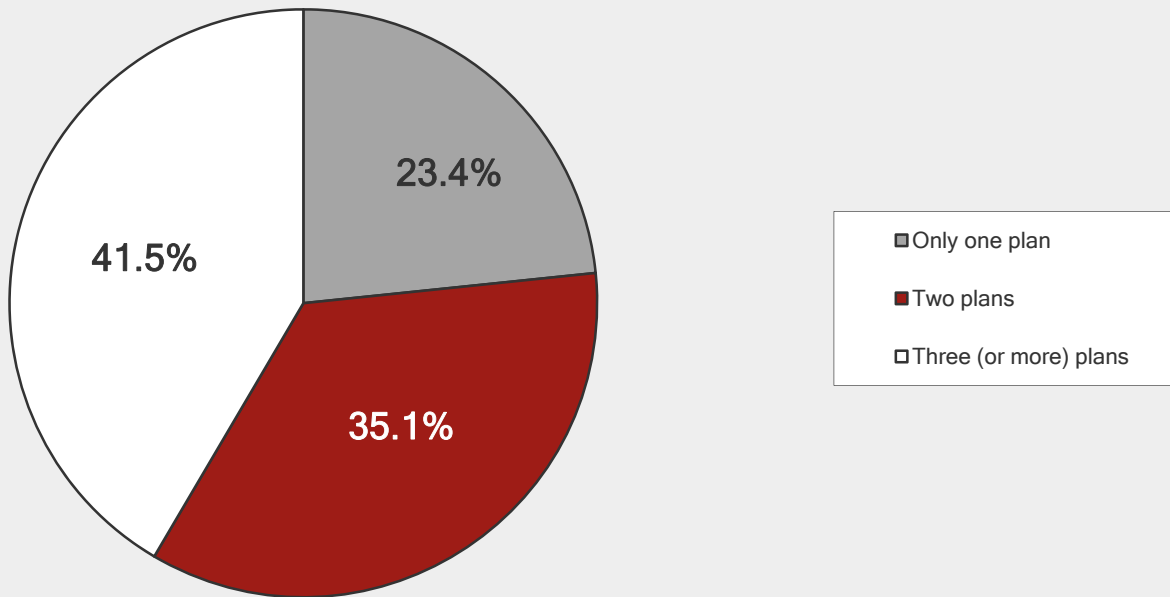


# A Few Important Points About How To **Price Your Services**

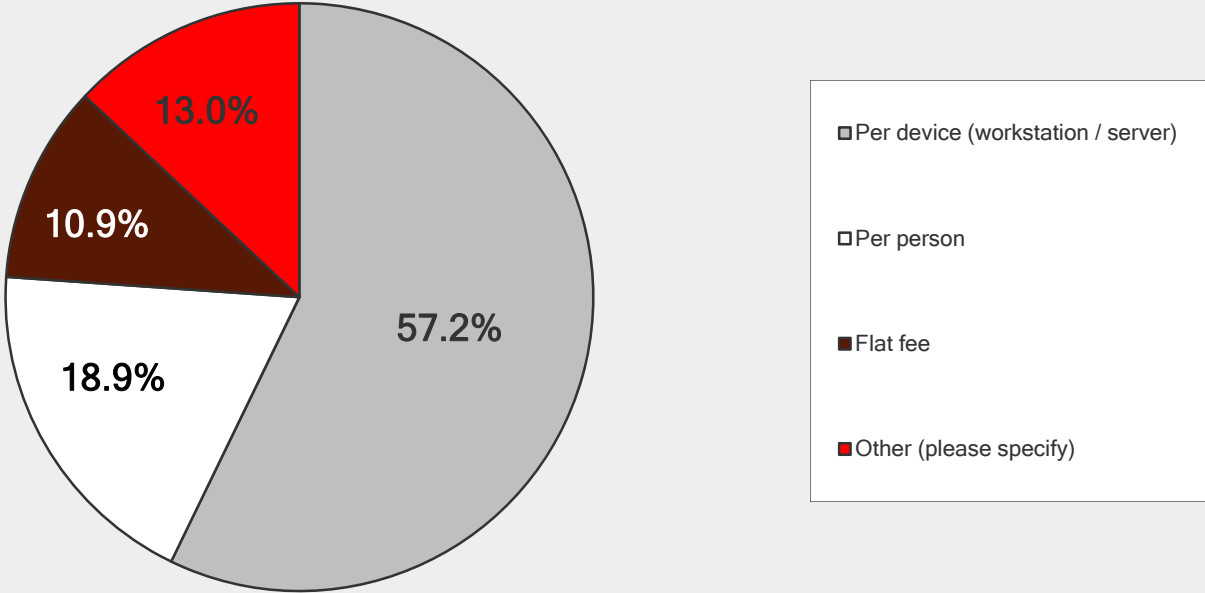
- After talking to HUNDREDS of end-user buyers of managed IT services when conducting research for my clients, **NONE of them said they bought from my MSP client because my client was the “cheapest provider.”** NOT ONCE. In fact, price never even came into the discussion EXCEPT for a few times when the client commented they weren't the cheapest provider they received a proposal from (to date, I've conducted over 300 interviews with C-Level decision makers who bought managed services).
- **In general, I do NOT believe that “All-You-Can-Eat” (AYCE) managed services plans are a good idea.** For starters, you're not a buffet; you're a professional services organization. Therefore, I would call it an “all-inclusive” or “Premier” service plan instead of AYCE. Second, while I believe your top-level plan *should* include most of the day-to-day support your client needs to avoid nickel-and-diming them to death, you need to be very careful about defining what is and is NOT included. Telling your clients they are signing up for an “all-you-can-eat” plan gives the impression they won't be charged for ANYTHING extra.
- **Are there exceptions where AYCE is actually a better plan?** Of course – there always are! For example, if you have a “TaaS” model, or Technology as a Service, where you are providing the software, hardware and all the support, you might truly creep toward an “all-inclusive” plan, but even then you need to have very clear lines detailing your SLA (service level agreement) and what is and is NOT included so you don't lose your shirt servicing a needy or growing client, or end up with a very unhappy client when you have to bill them for a special project that is outside your scope of work.



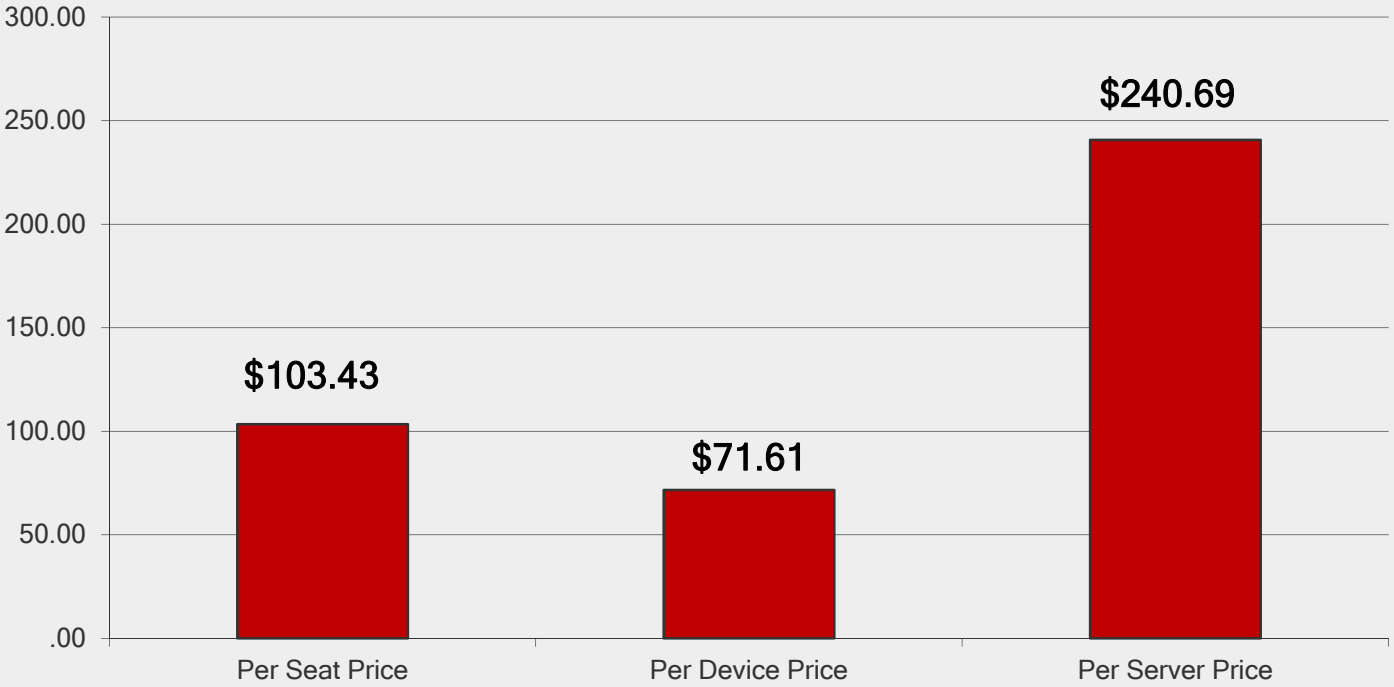
## How many different levels of managed services plans do you offer?



### How do you TYPICALLY charge for your managed services plan?



**What is the AVERAGE pricing on your most inclusive (often referenced as the “all-you-can-eat”) managed services offering?**





## What Prices Were 7 Years Ago...

In May of 2010, I conducted a survey of my list on what their AVERAGE per seat price was on managed services. We asked the question a bit differently then, but you can see from the information below that pricing has NOT gone up by much.

**Here were the averages by category:**

Monitoring only: \$41.86 per seat

All-Inclusive: \$110 per seat

All-Inclusive + HaaS: \$127.98 per seat

All-Inclusive + HaaS and SaaS: \$143.56



# 4

• What The MSPs Surveyed  
• Include In Their Top-Level,  
• All-Inclusive Managed  
• Services Offering  
•



# Under the category of “Labor,” what do you include in your all-inclusive managed services plan?

Labor							
Answer Options	Included	Percentage Of Responses	Extra Fee	Percentage Of Responses	N/A	Percentage Of Responses	Response Count
Unlimited remote support (business hours)	606	92%	30	5%	25	4%	661
Unlimited onsite support (business hours)	465	70%	150	23%	36	5%	651
After hours phone and remote support	322	49%	298	45%	37	6%	657
Vendor liaison for ISPs, Web/Hosting providers, office	557	84%	59	9%	40	6%	656
Vendor liaison for line of business application providers	534	81%	78	12%	40	6%	652
Help Desk	584	88%	38	6%	33	5%	655
Project Work	86	13%	536	81%	25	4%	647
<i>answered question</i>							661
<i>skipped question</i>							4



# Under the category of “Patch Management and Monitoring,” what do you include in your all-inclusive managed services plan?

Patch Management And Monitoring:							
Answer Options	Included	Percentage Of Responses	Extra Fee	Percentage Of Responses	N/A	Percentage Of Responses	Response Count
System alerts and monitoring	641	97%	5	1%	12	2%	658
Microsoft O/S patch management	633	96%	9	1%	17	3%	659
Mac/Apple O/S patch management	480	73%	22	3%	144	22%	646
Network device O/S updates	576	87%	53	8%	28	4%	657
Network availability monitoring and alerts	617	93%	16	2%	24	4%	657
Server alert monitoring	634	96%	7	1%	16	2%	657
Server emergency O/S updates and patches	600	91%	41	6%	16	2%	657
Non-Microsoft desktop updates and patches	507	77%	72	11%	73	11%	652
<i>answered question</i>							662
<i>skipped question</i>							3



# Under the category of “vCIO” (virtual CIO), what do you include in your all-inclusive managed services plan?

vCIO / Consulting							
Answer Options	Included	Percentage Of Responses	Extra Fee	Percentage Of Responses	N/A	Percentage Of Responses	Response Count
Dedicated Client Account Manager	504	76%	37	6%	110	17%	651
Quarterly technology business reviews	498	76%	32	5%	116	18%	646
Annual technology business reviews	532	81%	26	4%	95	14%	653
3rd Party subscription and warranty management	413	63%	109	17%	121	18%	643
Acceptable Use Policy training	310	47%	187	28%	145	22%	642
Staff training	259	39%	285	43%	98	15%	642
Network documentation	549	83%	60	9%	42	6%	651
Budgeting	434	66%	104	16%	107	16%	645
IT policy development	366	56%	204	31%	74	11%	644
<b>Other, Please Specify</b>							21
<i>answered question</i>							659
<i>skipped question</i>							6



# Under the category of “Hosting/Cloud,” what do you include in your all-inclusive managed services plan?

Hosting/Cloud:							
Answer Options	Included	Percentage Of Responses	Extra Fee	Percentage Of Responses	N/A	Percentage Of Responses	Response Count
Hosted email services (Hosted Exchange, Google Apps,	152	23%	459	70%	39	6%	650
Remote backups	253	39%	378	58%	19	3%	650
Server/Application Hosting	78	12%	479	73%	81	12%	638
Data Hosting	75	11%	483	74%	80	12%	638
Office 365 Software Licensing	112	17%	485	74%	46	7%	643
Office 365 Support	427	65%	179	27%	38	6%	644
Cloud Desktop-as-a-Service	59	9%	410	63%	169	26%	638
<i>answered question</i>							655
<i>skipped question</i>							10



# Under the category of “Security,” what do you include in your all-inclusive managed services plan?

Security							
Answer Options	Included	Percentage Of Responses	Extra Fee	Percentage Of Responses	N/A	Percentage Of Responses	Response Count
Anti-malware	546	83%	91	14%	16	2%	653
Anti-virus	562	86%	81	12%	13	2%	656
Firewall management including firmware updates	530	81%	101	15%	24	4%	655
Content filter management	449	68%	166	25%	34	5%	649
Periodic vulnerability scans	387	59%	198	30%	61	9%	646
Spam filter	395	60%	217	33%	38	6%	650
Periodic risk assessments	351	53%	223	34%	67	10%	641
Hipaa compliance audits	79	12%	387	59%	177	27%	643
FINRA compliance audits	51	8%	331	50%	256	39%	638
Password management tools	192	29%	298	45%	152	23%	642
Two factor authentication tools	115	18%	366	56%	159	24%	640
<i>answered question</i>							657
<i>skipped question</i>							8



# Under the category of “Backup & Disaster Recovery,” what do you include in your all-inclusive managed services plan?

Backup & Disaster Recovery							
Answer Options	Included	Percentage Of Responses	Extra Fee	Percentage Of Responses	N/A	Percentage Of Responses	Response Count
Backup agent updates	491	75%	145	22%	18	3%	654
Backup hardware	194	30%	427	65%	31	5%	652
Backup software	332	51%	303	46%	16	2%	651
Monitoring of backups	564	86%	74	11%	14	2%	652
Remote backups	352	54%	285	43%	16	2%	653
File and system restores	492	75%	144	22%	15	2%	651
Disaster Recovery plan development	360	55%	261	40%	29	4%	650
Redundant internet connectivity	77	12%	471	72%	95	14%	643
<i>answered question</i>							657
<i>skipped question</i>							8





Under the category of “Hardware,” what do you include in your all-inclusive managed services plan?

Hardware							
Answer Options	Included	Percentage Of Responses	Extra Fee	Percentage Of Responses	N/A	Percentage Of Responses	Response Count
Hardware as a Service - Server(s)	47	7%	384	59%	215	33%	646
Hardware as a Service - Desktops	47	7%	374	57%	226	35%	647
Hardware as a Service - Firewall	109	17%	351	54%	186	29%	646
Recycling services	248	38%	253	39%	140	21%	641
<i>answered question</i>							652
<i>skipped question</i>							13



## When asked, “What do you include in your managed services plan that your direct competition does not?” common answers were...

- 100% money-back guarantee in a given period of time (30-90 days)
- 24/7/365 support at no extra fee, after-hours support included
- Deep expertise on vertical-specific software (CPAs, Churches, Dentists, etc.)
- TRUE “all-you-can-eat” support; ZERO extra costs for labor, projects or on-site visits
- Phones answered live on the weekends
- Cybersecurity training for the staff, phishing tests, audits for compliance
- Liaison between their client and 3<sup>rd</sup> party vendors (line of business apps, Internet, etc.)
- Backup testing and verification
- Written disaster recovery plan included
- Business process analysis and consulting
- HaaS (hardware as a service) or TaaS (technology as a service), where hardware and software are included along with the services



## When asked, “What do you include in your managed services plan that your direct competition does not?” common answers were...

- No long-term contracts or cancellation fees on MSP contracts
- HIPAA Compliance Reviews included
- Managed print services and support included
- Data cable repair and installation
- Enhanced security services from endpoints to perimeter and beyond
- Firewall-as-a-service included
- Hacker insurance; up to \$50,000 for a breach
- E-mail encryption, archiving and password management
- Free loaner equipment
- 60-second response time to tickets submitted
- Local, on-site help desk and support (not outsourced)
- We always include cloud PBX
- Other technology such as phone systems, music systems, video surveillance



## When asked, “What do you include in your managed services plan that your direct competition does not?” common answers were...

- Web design, web hosting
- Unlimited online backup, unlimited help desk and on-site support
- vCIO services, quarterly business/technology reviews
- We’re certified in both Windows and Mac and are experts at making mixed environments work
- Web content filtering
- Mobile device support, backup and monitoring for all end users
- Written Information Security and Business Continuity Plans
- EMR software development is included (several hours per month)
- Regulatory assessments for Meaningful Use, MIPS and several other medical-specific regulatory requirements



## Other interesting, common (and **sometimes funny**) answers...

- Managed services; none of my competitors offer this now
- No idea; we have a very difficult time figuring out what our competitors offer
- Me and my awesomeness!
- Love ;-)
- Charm
- Awesome people
- That's a secret!
- NOTHING.



# 5



How To Attract More And  
Better Quality Managed  
Services Clients



# Finally! A Step-By-Step Blueprint For Marketing And Selling Managed IT Services Based On Over 10 Years' Experience In Working With 1,876 Managed Services Providers



This Program Will Give You:

- ✓ Several proven campaigns and strategies you can send out to convert even the most stubborn break-fix clients to managed services contracts.
- ✓ Industry-based research on which client types and industries are THE MOST LUCRATIVE and RECEPTIVE to buying managed services. If you're tired of trying to "convince" stubborn, cheap and unappreciative people to buy managed services, this will be a game changer.
- ✓ A documented Sales Playbook that takes all the guesswork out of closing a managed services contract WITHOUT discounting, games or having to do a lot of "convincing." You'll discover how to eliminate price objections BEFORE they even come up and how to get a prospect to see the value of managed IT.
- ✓ DOZENS upon DOZENS of field-tested, PROVEN, fill-in-the-blank marketing templates, examples and content you can send out to get new prospects calling your office. No creativity needed – in fact, it's better if you're NOT creative and don't change ANYTHING and simply send these campaigns out as I've given them to you. You'll get e-mail campaigns, web content, brochures and sales materials, webinar and seminar campaigns, direct mail templates, telemarketing scripts, campaigns for trade shows, canvassing, fueling referrals, using LinkedIn and much, much more!

Discover how you can stand out from the growing plethora of look-alike, sound-alike, commoditized MSPs who are price-cutting to steal your clients and make it incredibly difficult to make money selling managed services!

**Fair Warning:**  
Registration Closes April 11, 2017

[www.Managed-Services-Marketing.com](http://www.Managed-Services-Marketing.com)

