

The Ultimate Guide to **AS-A-SERVICE**

Transitioning your business to a “*subscription*” model is challenging. **We get it.**

SMB Suite is in the business of helping technology solution providers reconfigure their businesses for their future by building monthly recurring revenue through cloud services with SMB OneView Platform and our “Subscription As-A-Service Practice Builder Program”. The advice in this “Subscription” As-A-Service Guide, rooted in best practices and experiences validated by SMB Suite over the past 4 years, will help you navigate this important business transition with confidence.

This guide covers everything from business planning to client retention. Read it from cover-to-cover or jump to a part that interests you:

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PART 1:

Why Change Your Business Model?

What's the Big Deal About “*Subscription*” As-a-Service?

If you sell, service, or support technology, you've probably been hearing a lot about the commoditization of IT and the need to compete with a cloud “Subscription” as-a-service” or “cloud services” approach. And you realize that switching to this business model would mean huge changes for your business.

So what's the big deal? Is it all a bunch of hype?

No, it's definitely not hype. The advent of affordable technology is changing the way businesses of all sizes and industries operate. They are starting to understand the competitive advantage that technology can bring, even if they aren't highly technical themselves. They need more than a support techie; they want a trusted advisor who can help them translate their business objectives into reengineered business processes and new technology solutions.

Think of the “Subscription” as-a-service model in terms of bundling together the hardware, software, services and support that your clients need and then charging them a flat monthly fee for the entire bundle. This business model is also referred to as cloud services. It is not simply selling clients an extended maintenance contract.

“Subscription” as-a-service is probably the most fundamental change to the technology solution provider’s business model in decades. It’s critical that you get it right— and also that you get right on it! There is no time to lose. Your competitors are working on their transitions already.

What Will Adopting the “Subscription” As-A-Service Model Do For My Business?

Moving your clients to the cloud with “Subscription” as-a-service (SaaS) will help you develop a stream of predictable revenue that makes your business more competitive and profitable, among many other benefits. Eventually, you will want as much of your business as possible to be on a recurring revenue model.

Cloud services make your business more competitive.

You can count on recurring revenue month over month and year over year. Cash flow is finally steady and improving all the time. You don’t have to stress about payroll and other expenses, so you can put your energy toward more strategic business-building activities.



Create Stickiness by Offering More Services

Today's modern businesses use technology to create efficiencies in their businesses and need a go-to-platform to help them manage it all. Adding more services to through SMB OneView can help your business become that critical point-of-contact for your clients. Plus, it will increase your stickiness with existing clients and reduce the possibility that competitors like NetSuite and Google can gain a foothold. Create multiple touch points with clients by providing at least four of these products and services:



- Software “Subscription-as-a-Service (SaaS) for business applications
- Cloud ERP with Microsoft Dynamics
- Cloud CRM with Microsoft Dynamics
- Microsoft Office 365
- Ecommerce Solutions
- Business Intelligence Reporting
- Remote Monitoring and Management (RMM) of hardware and networks
- Physical security monitoring systems
- Data backup/disaster recovery, storage and antivirus
- Application Help desk support and updates)
- Email, mobile and social media marketing

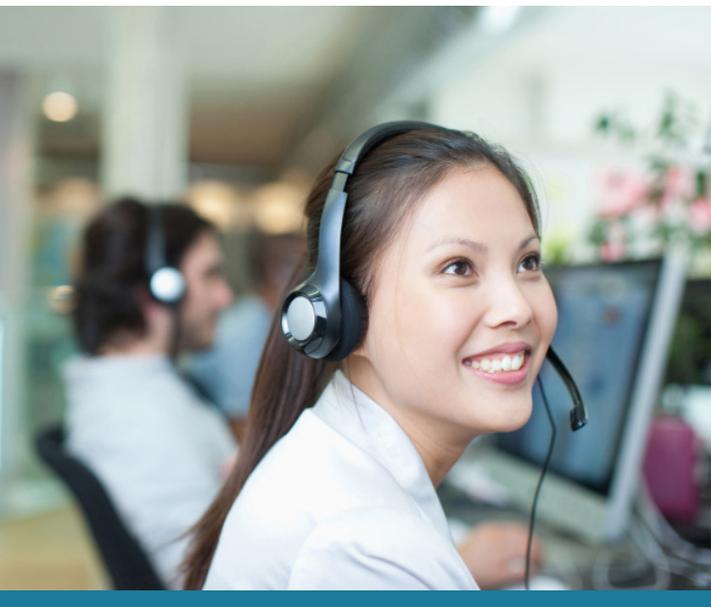
“Partners who offer ‘Subscription’ as-a-service through SMB OneView are doing a great job becoming sticky to their clients. We want partners to better position their business for success, by adding subscription services to maximize their anchor points into their clients’ businesses.”

- Matt Woodward, President, SMB Suite

Recurring revenue builds a valuable legacy for whenever you decide to exit your business.

Increasing the amount of monthly recurring revenue coming into your business raises the quality of your earnings and the overall value of your business. In business valuation, high quality revenue—the kind of earnings that investors seek—is defined by three essential characteristics: Predictability, profitability, and diversity. With SMB OneView we help you build a “on-view” platform that builds a predictable, recurring revenue practice. By adopting the SMB OneView platform, your service offerings can

increase profitability through efficiency and automation. SMB Suite has converted 83% of its 2014 annual Top line revenue to recurring revenue secured by long term contracts as a result of the commitment to transformation in 2011.



Whether your exit plan involves passing your business to your children or selling it, subscription services and predictable revenue build a legacy of value that you can take to the bank! Some professionals estimate that a business with recurring revenue is worth 8-12 times more than a one-time revenue model (such as rip and replace). Another recent

article estimated that an owner can expect to receive 6 to 8 times EBITDA [earnings before interest, taxes, depreciation, and amortization] for a company on a recurring revenue model.

Transform capital expenditures into operating expenses for your clients.

In their personal lives, people are already accustomed to paying for products and services on a monthly subscription basis i.e. “consumption economics”. It’s easy for business owners to understand the same model for their business purchases, and monthly payments might fit better into budget plans. In today’s economic environment, small business owners may be reticent about large capital expenditures on software, hardware, services, and maintenance. The “subscription” as-a-service model enables your clients to convert up front capital expenditures into pay-as-you-go operating expenses. Spreading these expenses across affordable monthly payments will help you close more deals.

PART 2:

How to Plan for the Big Transition



You Need a New Business Plan

You've thought about the future, studied the trends, and decided that it's time to forge ahead with offering cloud services to your clients. Congratulations! That will likely be one of the most important decisions in the history of your business. But your work is only beginning. This transition will not happen quickly, however if you start working at it now, you'll be ahead of the curve in a few years.

First things first: You must have a carefully considered, written, detailed business plan with specific goals and objectives.

There is simply no other way to attempt such an important transition in your business. It should be at least a three year plan, but you can take it to five or ten years for some overarching goals if you want. But you should definitely plan years one, two and three in some detail.

As a component to joining the SMB Suite Subscription as-a-service practice builder program, you will receive detailed tools and training from SMB Suite best practices to help you build out your 3 year business plan!

Think of your business plan as a roadmap. It will serve you in many ways, including:

- Setting out where you're taking the business and why.
- Reminding you of how far you've come and giving you concrete goals to measure against.
- Communicating the end objective to employees so they understand why you're changing comfortable processes... transitioning to greater business stability is a comforting message to employees!
- Demonstrating your value and credit worthiness to the bank, if you find yourself in need of a loan during your transition.

Transition Your Business in Stages

Making the switch to a cloud services offering is a big change for your business. It's not advisable to try to accomplish such a dramatic transition in just one year. Instead, work out a roadmap that allows you to transition in stages. Decide how much of your annual revenue should be coming in the form of monthly recurring revenue from cloud services. Then ease that percentage up year-over-year.

Make a plan that you think is logical and achievable, whether that means transitioning over two years or five. While you need to feel comfortable with your planned stages, it's also important that your plan is ambitious so that your business does not fall behind competitors in repositioning your value to customers and prospects. For this reason, we recommend considering a three-year plan for your transition.

YEAR 2

45% of existing base transitioned to MRR and consider no longer accepting NEW customers

YEAR 1

25% of New deals on monthly recurring revenue (MRR) while converting 20% of existing base to a monthly service plan

YEAR 3

65% combined existing & new customers total revenue is MRR with a comfortable balance of 35% incremental professional services or cash consulting.

After year three, you will have some decisions to make about what to do with your remaining break/fix customers.

3 Possible Approaches to Your Transition

Now that you know that your business plan will involve transitioning your business in stages, the question becomes: how do we execute the transition? IT solution providers have tried many different approaches for booting up cloud services sales. These three methods have been shown to yield success:

1

Sell smaller deals as cloud services while continuing to close larger deals as traditional sales.

Commitment: By only offering smaller customers the "Subscription" as-a-service (SaaS), you'll layout less cash to win customers.

2

Sell every new deal as cloud services, but fall back to a traditional sale if you meet serious objection.

Continue to try to achieve your overall yearly goals for monthly recurring revenue. Do NOT allow your sales professionals to give up and default back to their old sales presentations. Discipline yourself to present the cloud services option—and only that option—to every prospective customer before being prepared to offer a traditional sale. Over time, accept fewer and fewer deals as traditional sales.

3

Slowly build your cloud services bundle.

Start by introducing one or two new monthly subscription packaged services and solutions such as HR & Payroll, book keeping, tax/audit, via BPO, vertical packaged solutions, etc. Choose services that complement your current offerings, are easy to implement, and that solve your clients' current problems. Then get as many new and existing customers on those services as you can. This starts to build recurring revenue even as you still support traditional hardware and software sales. This approach can be a win-win. Your team gets to practice selling cloud services without yet betting the entire farm on the new model. Likewise, your clients get try out cloud services without going "full bore." They will quickly start to see you as more of a trusted advisor. From that point, growing your business becomes much easier! Over time, introduce more and more services to swell your revenue stream. SMB Suite has recognized 142% growth in existing subscription customer revenue within the first 3 years of the client relationship.

The Big Question: Should You Only Offer Cloud Services?

Will your business ever serve 100% cloud services clients exclusively and focus on migrating legacy clients? While many will tell you that should be your ultimate goal, the truth is that it depends on a variety of factors about your customers' needs, your business goals, and your vendor relationships.



The most compelling reason to move to a cloud services only model is that it provides consistency across your business.

You can standardize what services you offer in your cloud services bundle for more efficient support. Your sales people become experts at selling cloud services and are totally committed to that model, rather than ready to fall back into old, comfortable sales habits as soon as prospective customers ask questions. While monthly recurring revenue provides you with financial security, one-time hardware sales add peaks and valleys to your revenue stream again.

Finally, break/fix contracts require more time and employee resources than proactive, automated cloud services.

But for all of those advantages, there are still times when you may need a traditional sale. And you may decide to leave some long-time customers on the old business model if that is what they prefer. Do you have some clients that you are unwilling—or—financially unable, to lose? If so, you will probably operate in a hybrid sales approach, and that's perfectly ok, however resources that support a traditional model client you should try to keep dedicated to that model so not to lose efficiency and focus in the subscription business.

Consider this issue carefully as you craft your business plan. It's a big decision and you should not choose the hybrid approach just because it feels safer today. Remember, you are making iterative changes to your business over time. Think strategically about the best competitive model for your business in the long term.

PART 3:

Managing Cash Flow



In order to achieve your cloud services objectives, you will have to compromise some up front revenue in order to convert it into monthly recurring revenue. It's extremely important to manage your cash flow carefully during this long-term transition. This guide contains tips to help you improve cash flow—from both an income and expense perspective—as you begin to offer cloud services. We'll explore each tip in more detail, but here's a quick summary:

As a component to joining the SMB Suite Subscription as-a-service practice builder program, you will receive detailed tools and training from SMB Suite best practices to accelerate your model!



EXPENSES

- Conserve cash now.
- Slash expenses everywhere you can.
- Seek better payment terms.



INCOME

- Get tougher about receivables.
- Choose the right pricing strategy.
- Mitigate risk of nonpayment.
- Explore financing options.

Cash Flow Tips for Cutting Expenses to Your Transition

When business owners think about transitioning to cloud services, they tend to focus on the revenue side of cash flow. But income isn't the only thing you should consider when planning to control cash flow—you'll need to take another look at expenses.

Conserve Cash

It may be that the very first stage in your cloud services business plan might simply be to continue to business as usual, while conserving as much cash as possible over a period of months. Having extra savings in the war chest can help you finance the rougher spots in your coming transition.

Slash Expenses Where You Can

Along with conserving cash, you need to reduce expenses everywhere you can, including real estate, taxes, transportation, office supplies and payroll. If your lease is near renewal, negotiate aggressively and consider moving locations if necessary.

Service businesses spend more on labor than any other costs, so you may need to reduce your staffing levels as well. Are there areas of your business that you could automate instead of using human capital? (talk to outsourcing or contracted services)
Example: Office 365 partners use SMB Suite's partner services to implement or outsource services

In a blog for Harvard Business Review, Columbia professor Rita McGrath made suggestions for smart cost cutting:



Reduce complexity in everyday business processes wherever possible. McGrath noted, “not only can it save cost, but it often results in far greater customer satisfaction... I'd suggest starting with your payments and invoicing processes.”

“Not all customers are good customers.” That's a particularly relevant point when you're planning your transition to managed services. McGrath suggests that, “sometimes, the best way to cut costs is to “fire” the most high-maintenance and expensive customers that cause you to have to take on complexity or service activities that are expensive beyond the value of what the customer can deliver to you.”

Work With Your Vendors

Ask your vendors for better payment terms to ease any potential financial strain. If you have an excellent payment history with them, remind them of it. You can usually negotiate a discount for paying early. You might receive an additional couple of weeks or a month on your terms for better flexibility. Ask now before you are ever in a cash flow crunch. You won't get better terms unless you ask, and even if creditors say no, you're no worse off.

Cash Flow Tips to Help Improve Income

When switching to a cloud services business model, the income model undergoes the most dramatic change. Instead of large up front software and hardware payments, you'll be collecting smaller, monthly service payments over a longer term. These tips can help you minimize the disruption to your cash flow caused by changing revenue.

Get Tougher About Receivables

As you know, slow- or non-paying customers can quickly cause cash flow troubles. As you launch into cloud services, you'll need a solid billing process for creating, delivering and following up on customer invoices. With the help of SMB OneView subscription platform, you can automate the grueling billing process and set up workflows to invoice clients on a recurring basis. For break/fix customers, send an invoice as soon as work is performed rather than month-end. Offer incentives for early payments, and consider requiring ACH or accepting credit card payments for recurring monthly services agreements. Build the cost of these ideas into your pricing agreements so getting paid doesn't eat into your profitability.



Create the Right Pricing and Agreements

“How much should I charge?” It’s the most common question that technology solution providers ask during the transition to cloud services. Determining the correct pricing strategy is critical to your long term success. Because you’re asking clients to sign three-year service agreements, pricing mistakes you make up front could haunt your profitability for 36 months! SMB Suite has built standardized pricing through SMB OneView that allows partners to achieve an average of 50%+ margin on their MRR through the life of that client.



As you build your pricing model, keep these tips in mind:

- Determine the level of profitability you want to achieve over the life of the agreement. Be sure to consider all of your expenses in this calculation.
- Review what your competitors are offering. Get feedback from clients about your value proposition.
- Determine your break-even point for each agreement. How many months of client payments will be required before your agreement becomes profitable?
- Consider offering more than one service bundle with different price levels to meet the budgets and needs of different types of clients. It’s very common for solution providers to create “bronze, silver, and gold” level service offerings.
- Manage agreement prices over time. Track your metrics carefully. Review the profitability of each client individually, as well as your overall business profitability collectively.

Explore Financing Options

If after careful cash-flow management you find that you're still short of cash during your transition to cloud services, explore financing options. This is where it will really help that you've created a solid, carefully-considered, written business plan (for more detail, refer to Part 2) You'll also want to be able to prove to banks and vendors that you've met initial objectives during your early transition stages and made progress toward your ultimate objective. There are several possibilities for obtaining financial support during your transition:



Self Finance

Reconsider your transition strategy. Would it make more sense to close the largest hardware deals with a traditional sales model and using those large up-front payments to finance smaller cloud services deals?



Apply for a Loan

Explore the possibilities for a line of credit from your bank(s).

Mitigate Risk

Most solution providers experience very little customer churn during the initial hardware payback period. After break even, although it's undesirable, a client defection doesn't hurt your cash flow. But what happens if you lose a customer before the end of their 3-year agreement? Add a payment-in-full clause into each agreement that requires customers opt out the guarantee to pay for x number of months.

PART 4:

Adapting Your Sales Strategy



Rethink Value and Differentiation

The simple truth is that your clients have become savvier about technology and what it can do to enhance their business. Retailers are comfortable talking about technology, but they need a knowledgeable guide to help them navigate into the best software for their business objectives. Better yet, they are willing to pay not to deal with the headache of figuring it out.

Simply offering “Subscription” software is not a compelling reason for a client to purchase cloud services from your company. There are hundreds—maybe thousands—of apps and tools in the marketplace plus numerous competitors in your geographic area.

As a component to joining the SMB Suite Subscription as-a-service practice builder program, you will receive detailed tools, training and messaging from SMB Suite best practices to quickly ramp your team!

Before you begin selling cloud services, think the “why.”

Why should clients buy from your company and not others?

What are the compelling and unique types of value you bring to the table?

Hint: It's not the bells and whistles of your latest technology. If you fail to differentiate your company's true value, you end up with the same cloud commodities that competitors offer. That's a quick path to a price war.

The reasons clients should want to buy from you will have everything to do with the value of your complete package—the bundle of systems and services you offer, and more importantly your unique experience, your industry and technology knowledge, and the value of your advice to clients. Your job is to convince them why you're worth the investment.

“Your value proposition can't just be a monthly payment. Smart, financially sound customers will look at the numbers and know that they're paying more on the as a service model in the long term. Rather, you must identify, create, and employ value added services and know how to convincingly convey such value-adds to customers so they understand that the monthly payments are not just convenient, they're beneficial.”

- Mike Monocello, Editor-In-Chief, Business Solutions Magazine

Fine Tune Your Sales Presentation

After you've got a firm sense of what sets your company apart—your value— it becomes easier to fine tune your sales presentation for the new model. You need to focus on the total value of your systems, services, and knowledge and how it can solve problems in your client's business. This is known as sales enablement, it's a highly consultative approach that works best for cloud services sales.

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As you try to win more deals, you'll see the areas of your sales approach that need to evolve. Be sure to have answers ready for these questions from prospects—they come up more frequently than any others during cloud services sales presentations:

- How long am I paying for this?
- Can I just try this for 6 or 12 months?
- When do I own the hardware?

To improve your sales presentation, look around for tips and examples from peers and vendors. When you talk to other business owners who have made the switch to cloud services, you will come away with some good ideas that you can apply to your sales efforts. You'll also learn how to avoid some pitfalls! Microsoft and SMB Suite have excellent communities for this type of knowledge exchange. You can also ask for sales and marketing resources and best practices from your SMB Suite business development manager and software publishers. They've helped many technology companies through the same transition you're going through.

Adjust Your Compensation Plan

Changing your business model will also require developing a new sales compensation plan. Most sales professionals are accustomed to earning commissions at the front end of a deal, but that may be too big of a drag on your run rate, now.



Here are some tips for designing a better compensation plan for managed services sales commissions:

- Sales professionals need extra carrots during the transition. You must design an incentive plan that gives extra incentive for your sales people to close monthly recurring revenue deals instead of falling back on traditional sales.

- Pay a percentage of gross profits, not gross sales. Protect your profit margin and cash flow while still incentivizing your sales reps by paying them percentage of gross profits, instead of basing their commissions on the gross sales.
- Get creative to optimize commissions and cash flow. You'll have to find the formula that works best for you and your sales reps. Consider paying a full commission up front on the first year of a three-year agreement and then providing a residual commission during each of the final two years.
- Highly-paid sales people are a win-win. Don't be afraid for your sales people over time to become highly compensated. High commissions mean that your business is growing and meeting sales targets. If your sales professionals are doing well, you're doing even BETTER!

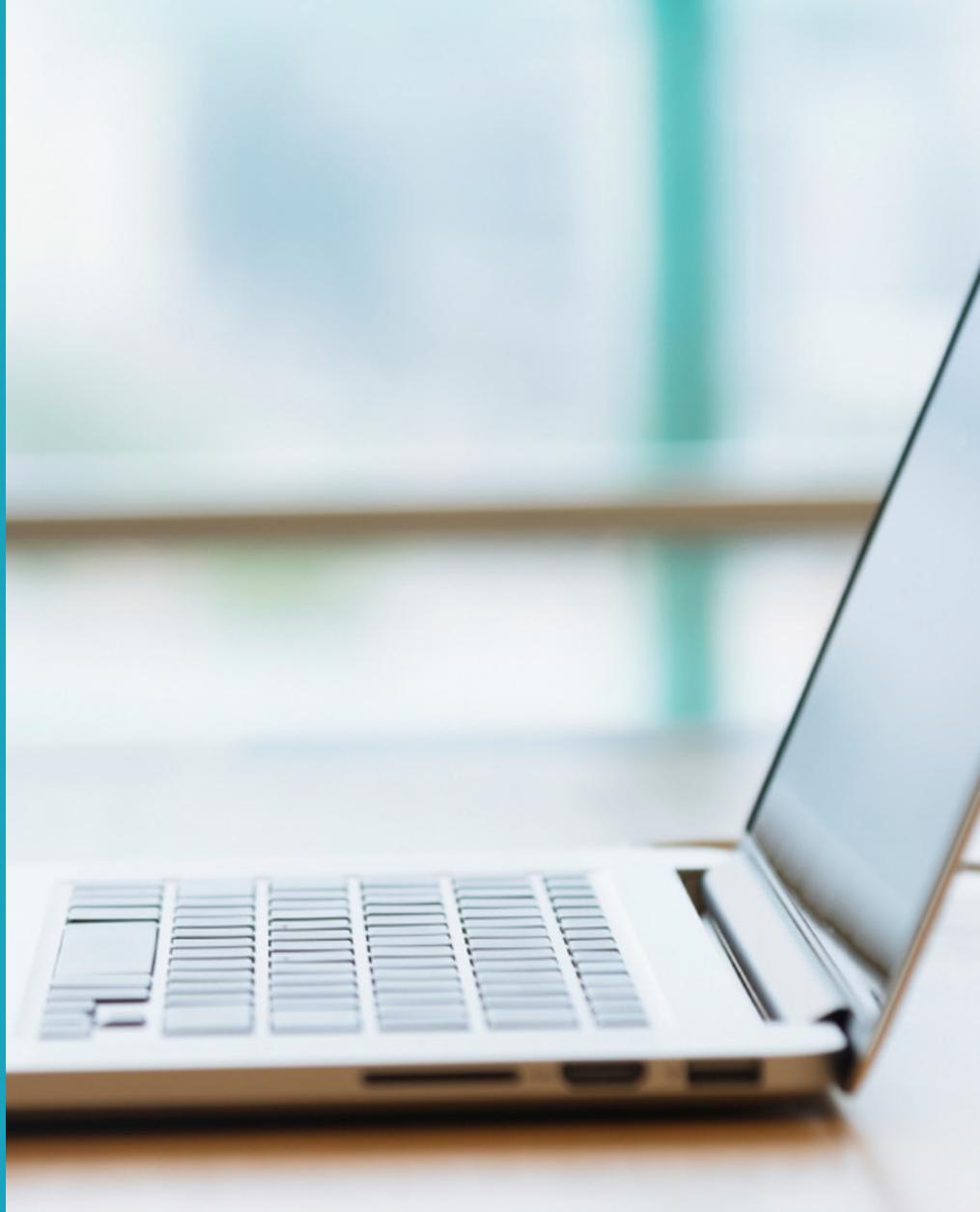


- Renewals are not new sales. When a contract automatically renews at the end of the agreed upon term, it should not count as a new sale in terms of compensation. If your business model asks sales people to proactively work contract renewals ahead of expiration, that should involve some form of extra compensation.
- Don't let them rest on their laurels. If sales professionals build up enough residual commissions to live comfortably, they may be tempted to slow down on making new sales. To keep motivation high, define performance levels (quotas) to require new sales in order to meet expectations.

- Reflect and revise. You may have to adjust the compensation plan as you learn more during your transition to managed services. Compare notes with other managed services providers. Talk to your sales people.

PART 5:

Transitioning Your Existing Clients



People are typically resistant to change.

That's why corporations have entire Change Management teams dedicated to easing sweeping transitions into place. Communication is key to success. One study even suggests you can realize up to a 93% acceptance rate simply by using the word "we believe." People need reasons why, so speak to their pain points and how a cloud services model can eliminate those woes. Once you've got customers singing your praises, you might even want to add services.

But for now, let's talk **TRANSITION.**

As a component to joining the SMB Suite Subscription as-a-service practice builder program, you will receive detailed ROI tools, training and messaging from SMB Suite best practices to effectively position a GP customer to the cloud!

Transition in Stages

Rome wasn't built in a day, and your new cloud services business won't be either. Expect it to be a long-term project. Develop a goal for the monthly recurring revenue you want to achieve in the first year, and then build a business plan to keep you on track.

To begin positioning cloud services to your customers, speak to pain points. Ask: What happens when something in your business fails? Then spell out the time-consuming process that leads to resolution: they call you after something goes wrong; you try to pencil them into your schedule, and several frustrating hours or days later, the problem is resolved.

After you've painted that grim picture, reveal the managed services solution, which includes proactive monitoring and management, so they can avoid downtime altogether.

Before rolling out your new model, make sure your sales team is aligned with your new offering by revamping your compensation model. Once that's completed, you're ready to roll.

1

Start Pitching Only Cloud Services to New Clients

They can't miss what they've never had. In addition, by building your cloud services business organically, you're creating opportunities to build customer success stories around your new service model, thereby creating a positive impression of your service model that people will talk about. Don't forget, client referrals are still the #1 source of new business for cloud services providers.

2

Sell every new deal as cloud services, but fall back to a traditional sale if you meet serious objection.

Don't start your managed service offering by asking your most stubborn client, who took 3 years to onboard, to be your first user. Be very selective about who gets access to it first. Measure time spent on service delivery and segment by service type prior to transitioning clients from break/fix to cloud services. Showing how you cut a customer's time-to-service by 90% can be very compelling in the world of instant gratification. Approach the clients you know are forward thinkers, or always looking for new ways to grow, people who you know actually care about putting effort into their business, and would easily embrace the more efficient approach.

Dealing with Legacy Customers

Listen, we know sometimes you have to take on tough clients to keep the lights on. We get it. But be mindful of the amount of time you're dropping into these customers. Track time spent on high-maintenance clients, and then measure it against the revenue they're generating within your business to determine whether they're profitable partnerships or not.

Once you've transitioned enough clients to the cloud services model, re-evaluate whether or not you even want to continue offering break/fix services.. With Business Intelligence Tools, you can pull reports to see which customers are profitable and which ones may actually be costing you money. You should also evaluate how much time is allocated among each of your clients. If you notice one of your less-than profitable legacy clients is taking up 15% of your techs' billable time, it may be time to let them go.





PART 6:

Business Process Automation

Now that you're familiar with all the different ways to start or extend your cloud subscription offerings, let's talk process automation. If you plan on growing and adding more clients with service contracts, you need to have your act together on the back end. The manual way you're running your business today just won't cut it as you add more customers and employees. Process automation helps you retain customers by offering great customer service and proving the value of your services. Ask yourself the question "does it scale?"

There are two platforms Managed Service Providers (MSPs) that are key to process automation and cloud services success: SMB OneView and Microsoft CRM.

1

SMB OneView

Growing automation every step of the way, this platform tool, SMB OneView, enables you to remotely access, update, and provide routine maintenance.

2

Microsoft CRM

Serving as the operating system for your business SMB OneView, coupled with Microsoft CRM, organizes your business around one system to centralize information related to service delivery, sales, projects, billing, and more.

Why you need an RMM or SMB OneView

As much as you might like to, you can't be everywhere at once. But SMB OneView equips you to be everywhere it's installed, so you don't have to hire more and more consultants to keep pace with geographically dispersed new customers. You're instantly able to identify and resolve problems from the comfort of anywhere, enabling you to monitor all client sites more efficiently.

Why you need a PSA

When it comes to managing your cloud subscription offering, the greatest ROI you'll get from a PSA resides in accurate time tracking & service details, as well as billing automation. With every service issue captured as a ticket in SMB One View, your team members can track time, service details, and communications with the client in one place—at the time of service.



By getting your team into this habit, you create more accurate recordkeeping and can immediately capture more billable time that may have been missed in the past. Plus, with service details captured at the time of service, invoices are ready to be sent immediately after the issue is resolved. Not only will you bill more, but with the precise time and service records appended to the invoice, your clients will have fewer questions when the bill arrives. And with cloud services, documenting the services performed will help you continuously prove your value.

Ensuring you're not working for free, a PSA also tracks time against agreements. You may offer multiple agreement levels— silver, gold, platinum—that include different amounts of included hours per billing cycle. Your PSA stores the details of each agreement, so all you have to do is denote the agreement type on each client's record. Then, whenever a service request comes in from that client, the ticket is automatically populated with the agreement so hours can be tracked against the customer's allotment. Plus, your team will be notified if that client has used all their hours, enabling them to inform the customer before more work is performed. By doing this, you'll never work for free, and maximize billable hours with break/fix clients while you slowly transition into the cloud services model.

RMM + PSA = SUBSCRIPTION AS-A-SERVICE SUCCESS

Individually, RMM and PSA tools bring significant automation and efficiency to your business. But together, they bring automation to a whole new level. By integrating these two solutions, you're able to respond more quickly to client needs, capture and store information to uncover root causes of problems, predict new problems before they occur, and simplify troubleshooting for your technicians. You can read more about industry-leading RMM & PSA integration [here](#).

Why They're Worth the Investment

Many solution providers hesitate when considering purchases like RMM or a PSA software because of the price. It's probably one of the biggest investments you'll make in your business, but if you're serious about growing, you have to think of it as an



investment, not an expense. For most services organizations, the cost of these solutions is often recouped through just a few additional minutes of billings or increased productivity per resource each month. By centralizing and automating key processes, you can significantly boost billable time, customer satisfaction, and employee morale without adding additional employees.

The good news? SMB OneView is a part of your partnership with our team at SMB Suite therefore, your infrastructure build and product launch time is significantly reduced increasing an accelerated ramp to success. This is as close to “plug and play” as you will get.

It's all upside, and it's all within your reach.

PART 7:

How To Retain Clients



Client Retention

Now that you know how to successfully make the switch from a break/fix model to a recurring revenue model, it's time to talk client retention. The key to keeping customer satisfaction high is being proactive and engaging with your clients on a regular basis. In this part, you'll learn several best practices for retention and ways to leverage your Professional Service Automation (PSA) and Remote Monitoring and Management (RMM) platforms to create a worry-free approach to proactive customer retention.

Create Service-Delivery Standards

Every interaction with a customer affects customer services levels. And with your RMM and PSA automating many standard tasks, it's important to create standards as interactions will be fewer and farther between. Your customers should always know what to expect from you, so build a knowledge base; this is a list of standard solutions to common problems. By having this, any consultant servicing any customer can quickly find and implement the best way to solve any of the documented solutions.



Taking the time to educate customers on your service-delivery standards and processes will set reasonable expectations from the start. If they know what to expect, they're less likely to have lofty expectations you'll have to dispel later.

Always under-promise and over-deliver.

You can always step it up a notch later, but you can't blot out a missed deadline. To keep your team on the same page, build out standard SLAs, and have your team communicate these to customers. Take it a step farther and goal relevant team members on ensuring these customer expectations are consistently achieved.

Implement a Record-Keeping Process

Over the life of a contract, your client could have interactions with several members of your team, which could result in them having a different experience every time. There is one element of consistently exceptional service that is often overlooked: detailed documentation.

Having a unified process for documenting client conversations, issues, and configurations can be the difference between an OK and an exceptional customer experience. Imagine your client calling about a reoccurring issue, and within the first

minute of the conversation your employee says, “I see you’ve had issues with this in the past. Let’s see if we can try something different.” You’ve now made your customer feel like the technician knows their situation, even if it’s the first time this particular employee has spoken to them. Having a centralized repository for client records, like CRM in SMB Suite, makes it easy for every employee to become an expert on your client in a few minutes. Taking the time to educate customers on your service-delivery standards and processes will set reasonable expectations from the start. If they know what to expect, they’re less likely to have lofty expectations you’ll have to dispel later.

Stay in Front of Your Clients

While automation tools are great for being efficient, they can get you into a bad habit of going long periods without seeing your clients. Remember, this is still a service business and client retention is highly dependent on human interaction.

You can’t assume that not hearing from them means everything is okay.

Many people, when satisfied, feel no need to contact the company, while others will quietly grumble about flaws in service or products and swear off a company without ever seeking redress or voicing their complaints so that the situation can be remedied. There’s another problem service providers commonly run into if they go long enough without communicating: They might start to question if they really even need your services.

They don’t realize what goes into making their systems run smoothly day-in and day-out, so when everything is working and they haven’t heard from you in a while, they begin wondering what value they’re getting out of their monthly payments. Unfortunately, this problem rears its ugly head when they decide not to renew their contract.

The Importance of Quarterly Business Reviews

These problems can be avoided by proactively staying in front of your customers on a regular basis and proving that you care about their business. Stay front and center with Quarterly Business Reviews (or QBRs) where you review reporting and show the number of issues you’ve fixed for them over the previous quarter. If your customer is on a cloud services contract, add up all the issues resolved, multiply by your hourly rate, and demonstrate how much money their contract saves them.

Whether it's quarterly, semi-annually, or annually, it doesn't matter. Don't skip this step – it can solidify a contract renewal long before it's time to resign.

Send Customer Satisfaction Surveys

From your client's perspective, a big part of your job is to resolve issues when they arise—and fast! Dissatisfaction with the resolution to their problem can play a large role in their overall opinion of your services. Consider building customer satisfaction surveys in to your service delivery process, asking them to fill out a quick survey after an issue has been resolved. In SMB OneView, you can set up an automated workflow that sends satisfaction surveys upon ticket closure. This not only gives customers opportunities to voice concerns, but also allows you to gauge and document issues with clients that you can discuss in quarterly reviews.

WHY YOU NEED TO EDUCATE YOUR CUSTOMERS ON HOW TO WORK WITH YOU



You can't be held accountable for what you don't know. This goes for your customers, too. Take the time to let them know how best to reach you, and clearly communicate what they can expect from you. For instance, if the best way to reach you is via a team email box because the email will automatically generate a ticket in your PSA, communicate that.

Leverage Automation

Proactively Monitor for Issues

Designed to keep work flowing, a PSA and RMM can automatically raise flags when issues surface. For example, if the RMM can't deploy a prewritten script to resolve the problem(s), it will create a ticket in the PSA, providing basic details and notifying your dispatcher that resources need to be assigned. By automatically pushing all issues to your dispatch team, you greatly reduce the opportunity for severe issues to fall through the cracks.

Set Alerts for Contract Renewals

As you grow your portfolio of service contracts, it can be hard to remember exactly when each contract is up for renewal. Documenting client configurations in the client's record can help you stay on top of new sales opportunities. If you've built a solid relationship over the 3 years, your client will be impressed with your proactive nature, and you can feel confident that you'll secure their business for years to come.



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