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THE ULTIMATE MSP GUIDE TO SALES EFFICIENCY

Generate more MRR for your managed services business

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Most organizations work with a limited amount of resources. The management team of those companies must effectively leverage their assets, including their people and capital, to accomplish all their business goals. Those constraints are likely a big reason why, according to the U.S. Bureau of Labor Statistics, 20% of new businesses fail during the first two years of operations, and 65% disappear within ten years.

Only 25% of organizations make it to the 15-year mark. Many experts say there is no secret to long-term success; they just need to build and maintain effective sales operations. Revenue is the fuel that sustains growth. Managed services providers take that a step further, creating monthly recurring revenue streams with a portfolio of Software as a Service (SaaS), ongoing consulting and support, Hardware as a Service (HaaS), and similar offerings.

A continual flow of payments strengthens cash flow and allows MSPs to expand using their own money instead of paying interest to banks and other lenders. Monthly Recurring Revenue (MRR) pays the bills and fuels organic growth. The hard part for IT services firms is keeping the sales funnel filled and their teams actively engaged in landing new clients and additional contracts with current customers.

Productivity is critical. Successful MSPs understand the need for efficiency at every stage of the sales process, from prospecting and qualifying to closing the deal. With limited resources to work with and time as one of those factors, IT services firms must carefully monitor and execute every stage of those programs and plans.



Tame the Chaos

That focus on sales efficiency can be a real challenge for managed services leaders. The more tech-oriented owners tend to gravitate towards IT responsibilities, especially when onboarding clients and expanding services. Those with business backgrounds can run into similar commitment issues, from hiring and training staff to managing all other operations. Amidst the chaos, inefficiencies develop, especially in the revenue-generating side of the business. Managed services sales tend to ebb and flow as leaders address various growing pains in their companies. Taming the chaos in an MSP business is never easy with so many potential internal and external issues and a limited amount of resources to make them go away.

Sales success requires discipline and organization. Employees must follow protocols closely, whenever possible, and managers have to continually work to streamline processes so their sales teams can focus all their attention on matching their prospects' needs with company-supplied deliverables. The end goal should be to close more and larger deals in the least amount of time possible.

As with any MSP-related activity, efficient use of sales resources is essential. Every dedicated representative or employee with any sales responsibilities needs a good list of prospects, an effective plan, tools to monitor and support their efforts, and the right set of offerings. Managed services firms that fail to support their team members in each of these areas are more likely to miss their long-term sales objectives. That's not to say those companies will fail, but the revenue generated from each contract will surely come at a greater cost than more focused and detail-oriented MSPs.

Disjointed plans and inconsistent efforts typically lead to closing delays or lost sales, and both of those situations can stifle cash flow growth and expansion plans for IT services firms. A steady influx of new contracts with supplementary MRR allows MSPs to avoid paying interest and borrowing fees to banks and other lenders. The greater the sales team's efficiency, the less likely the firm will want (or need) to look to outside investors.



Common Sales Pain Points

No two MSPs are the same. Customer needs vary significantly between industries and regions, and resource availability differs greatly across IT services companies. The internal and external variables make it difficult for sales experts to create a “one-size fits all” guide of best practices and solutions that address every conceivable problem.

However, there are several common sales pain points that many MSPs share. First off is the amount of time team members spend in meetings and with paperwork. Managers should periodically evaluate each employee’s admin responsibilities and trim or eliminate any that cut unnecessarily into their prospecting and sales schedules. More time with decision-makers means more money in the bank.

Confusing policies and practices are another significant pain point. Sales is a dynamic activity, especially in the IT services field, and frequent changes can complicate and slow down the process. Confusion leads to inefficiency. MSPs need to streamline sales methodologies and programs as much as possible to boost productivity. Simplifying processes helps team members close contracts faster, which, in turn, creates new MRR streams and ensures quicker payments. Efficiency pays in so many ways.

Sales training is another commonly overlooked pain point. Even when an MSP hires an experienced IT services sales professional, if that person does not have a thorough understanding of the company's portfolio and unique value proposition, success is not assured. Training should be an ongoing activity for all employees to build and maintain sales excellence.'

The final pain point for MSP's sales teams is lead quality. A subpar prospect list creates considerable inefficiencies in an IT services business as employees consume valuable time and resources speaking with the wrong audience. Unqualified leads create frustration and undermine the confidence of key employees. Sales and marketing teams that collaborate closely in the development and validation of prospect lists enjoy the greatest results.



Best Practices to Improve Sales Efficiency

There is no magic solution for boosting sales team productivity. Like other departments in an MSP business, managers need to remove potential bottlenecks to ensure employees can meet their personal and company objectives.

The first step is to evaluate and streamline sales processes. How many activities and management checks are genuinely needed to ethically and effectively close new contracts? When MSPs hire good people, they can typically eliminate many steps of the approval process and speed up the sales process. The more time team members have to talk with prospects and decision-makers, the quicker (and more efficiently) they can close the deal.



Similarly, MSPs should eliminate unwarranted policies. Some companies like to create rules for every possible scenario to remove the guesswork. Unfortunately, laundry lists of guidelines increase the ramp-up time for new employees, cause some to second-guess their own actions, and further delay contract approvals. Those stoppages can result in lost sales or frustration with prospects and existing customers.

Inadequate training is another efficiency killer. Some MSPs just tell employees to go out and sell. Pricing options and lead lists are a great start, but without formal training and mentoring programs, many will struggle to make sales and, more importantly, fail to realize their true potential. Lost opportunities can cost an MSP more than the management team will ever know.



Implement the Proven Tools of the Industry

The final best practice for improving sales efficiency is to implement useful sales tools and automation. From sales assessment, proposal, and quoting solutions to a customer relationship management (CRM) platform, MSPs have a number of technology options available to help close new business. These tools help IT services firms improve their lead conversions and make the most from each potential opportunity. Adding a sales management solution like Zomentum, which specifically supports the unique needs of MSPs, will simplify and automate all those critical processes and help providers maximize their success. These business platforms increase sales productivity by an average of 12.5% and can reduce time-to-close by as much as 50%.

Integrations are crucial. Connecting the tools ensures the sharing of critical information and workflows across all the applications so employees do not have to manually enter data in multiple platforms. A well-integrated PSA, RMM, and sales management solution creates automations that help MSPs work smarter and more efficiently. These connected systems can significantly reduce labor hours while eliminating costly human errors.

While technology is critical to sales success, it's the reporting capabilities of those systems that are essential to efficiency improvements. That information allows MSPs to assess individual and team results so they can spot problems and alter, or at least fine-tune activities, including lead qualification, prospecting, and sales plays. Reports are the guide to efficiency improvement.

Sales tools allow MSP owners and managers to engage with their team members, keep a close watch on their activities, and get up-to-the-minute results. Technology can't lead or inspire employees (at least not yet), but these innovations will allow IT services firms to streamline and automate time-sucking processes and give sales professionals more time to close new deals and upsell existing clients.

The end goal is efficiency. By leveraging industry-leading tools and focusing on the ultimate endgame (closing large deals in minimal time), MSPs can spend more time improving service delivery and support and counting their money. Sales efficiency improvements bring greater MRR and profitability and fuel the growth of an IT services firm.

About us:

It's a momentum engine that brings you the future of IT sales. Reimagine your IT selling process that transforms sales and your customers' buying experience for the better. A software that's tailored to help IT Partners sell smarter and grow faster.

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We'd love to talk! Reach out to us:

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