

# Operational Fundamentals

## Pricing and Bundling for Profit

*Presented by :*

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# Building Your Solutions Offering

**Define**

your service strategy

**Design**

your solutions portfolio

**Price**

your deliverables

**Go**

to market with bundles

# What's In Your Solution Stack?



**Monitoring  
& Patch  
Management**

NOC  
RMM



**Remote & Onsite  
Support**

Help Desk  
Onsite  
Technicians



**Vendor  
Management**

Infrastructure  
Vendor  
Support



# Bundling Tip!

**85%**  
of the time

Buyers Choose  
2 Highest  
Options!\*

\*Million Dollar Consulting (Alan K. Weiss)

## Always include 3 Options When Bundling

- | Adding Value “above the line”  
Allows Increased Fees “below the line”
- | Qualitatively Better, Not Merely  
Quantitatively Larger
- | Escalates Buyer’s Decision to Add More  
Value (and higher fees)  
Because of Higher ROI

## When Presented With 3 Options, Buyers Choose

- | Option 1: 15% of the Time
- | Option 2: 60% of the Time
- | Option 3: 25% of the Time

# Bundling Your Offering for Maximum Value



## Essentials

GOOD SLA

Basic Managed Services Offering



## Plus

BETTER SLA

Includes Essentials Plus more Qualitative Value at Higher Price



## Advantage

BEST SLA

Includes Essentials and Plus AND the Most Qualitative Value at the Highest Price

# Example Tiers and Bundles – With Help Desk

## MANAGED IT ESSENTIALS

SLA: P1 – 8hrs | P2 – 12hrs | P3 – 24hrs

- Onsite and Remote Support 8-5 (User Help Desk and Onsite Technical Support)
- Network Monitoring
- Patching and Updating
- Vendor Management (No SLA)
- Simple Email Security
- Simple Network Management (Single Location)
- Office 365 E1
- Reporting
- **SLA: P1 – 8hrs | P2 – 12hrs | P3 – 24hrs**

## MANAGED IT PLUS

SLA: P1 – 4hr | P2 – 8hrs | P3 – 12hrs

- Onsite and Remote Support 8-5 (User Help Desk and Onsite Technical Support)
- Network Monitoring
- Patching and Updating
- Vendor Management (No SLA)
- Advanced Email/SPAM Security
- Advanced Network Management (Multi-Site, VPNs)
- Wireless Network Management (Controllers + APs)
- Office 365 Business Essentials
- Small/Medium BDR Appliance
- DNS Management
- Reporting
- **SLA: P1 – 4hr | P2 – 8hrs | P3 – 12hrs**

## MANAGED IT ADVANTAGE

SLA: P1 – 1hr | P2 – 4hrs | P3 – 8hrs

- Onsite and Remote Support 8-5 (User Help Desk and Onsite Technical Support)
- Network Monitoring
- Patching and Updating
- Vendor Management (No SLA)
- Advanced Endpoint Security + Email/SPAM Security (Best – Other Than Your RMM's)
- Enterprise Network Management (Multi-Site, VPNs)
- Wireless Network Management (Controllers + APs)
- Office 365 Business Premium
- Advanced BDR Appliance
- DNS Management
- Advanced Email Compliance and Encryption Options
- Online Collaboration Tools
- Online Storage Archival
- Hosted VoIP
- Web Content Filtering
- Specific LOB Application Support
- Reporting
- **SLA: P1 – 1hr | P2 – 4hrs | P3 – 8hrs**

# Example Tiers and Bundles – Infrastructure Only

## INFRASTRUCTURE ONLY **ESSENTIALS**

SLA: P1 – 8hrs | P2 – 12hrs | P3 – 24hrs

- Onsite and Remote Support 8-5 (Infrastructure only – No User Help Desk)
- Network Monitoring (Your RMM)
- Patching and Updating (Your RMM)
- Infrastructure Vendor Management (No SLA)
- Simple Network Management (Single Location)
- Up to 3 Servers
- Up to 1 Router
- Up to 1 Switch
- Up to 1 Firewall
- **SLA: P1 – 8hrs | P2 – 12hrs | P3 – 24hrs**

## INFRASTRUCTURE ONLY **PLUS**

SLA: P1 – 4hr | P2 – 8hrs | P3 – 12hrs

- Onsite and Remote Support 8-5 (Infrastructure only – No User Help Desk)
- Network Monitoring (Your RMM)
- Patching and Updating (Your RMM)
- Infrastructure Vendor Management (No SLA)
- Advanced Network Management (Up to 3 Locations, VPNs)
- Up to 10 Servers
- Up to 3 Routers
- Up to 6 Switches
- Up to 3 Firewalls
- Wireless Network Management (Controllers + APs)
- BDR Appliance (Medium)
- **SLA: P1 – 4hr | P2 – 8hrs | P3 – 12hrs**

## INFRASTRUCTURE ONLY **ADVANTAGE**

SLA: P1 – 1hr | P2 – 4hrs | P3 – 8hrs

- Onsite and Remote Support 8-5 (Infrastructure only – No User Help Desk)
- Network Monitoring (Your RMM)
- Patching and Updating (Your RMM)
- Infrastructure Vendor Management (No SLA)
- Advanced Network Management (Over 3 Locations, VPNs)
- 11+ Servers
- 4+ Routers
- 7+ Switches
- 4+ Firewalls
- Wireless Network Management (Controllers + APs)
- Wireless Network Management (Controllers + APs)
- Advanced BDR Appliance (Medium to Large)
- Online Storage Archival (Your Vendor)
- **SLA: P1 – 1hr | P2 – 4hrs | P3 – 8hrs**

# What's Covered?

## Everything in the SOW

Covered devices, applications, services, Vendor Management (must be identified in SOW)

## Nothing that is NOT in the SOW

New Users (licenses/labor), new security devices installation/configuration, new other (will fall under our hourly rates or quoted as projects)

## SLA

For all items identified in the SOW  
NO SLA for 3<sup>rd</sup> Party Vendor Management Services (we are not responsible for resolution for items covered under Vendor Management – only for managing the incident with the Vendor – opening ticket, coordinating support, assisting as needed)

### STATEMENT OF WORK No. 1

This STATEMENT OF WORK ("SOW No. 1") supplements the Master Client Agreement (the "Agreement") as of the Effective Date defined in the signature block below by and between \_\_\_\_\_ ("Service Provider") and Client as defined in the signature block below. This SOW No. 1 consists of the terms below, the signature page, and any unique attachments to this SOW No. 1, which are all incorporated into the Agreement by this reference and are made a part of the Agreement by all intents and purposes.

Capitalized terms used herein, unless otherwise defined, will have the meanings given to them in the Agreement.

#### 1. Services Description.

The Service is designed to provide pro-active support services that anticipate and prevent IT problems before they occur. The Service is built upon the successful installation and configuration of technologies that Service Provider's Helpdesk Team, Professional Services Team, and Network Operations Center (NOC) Team utilize to monitor and maintain critical technology systems.

#### 2. Deliverables Description

a. Service Provider will deliver the Service pursuant to the terms of this SOW. This SOW will serve to describe the on-going Services in detail.

##### b. Help Desk Support and Network Monitoring

Remote Help Desk for Client's IT Network will be provided through remote means by Service Provider to Client between the hours of 8am to 5pm Monday through Friday, excluding ISG holidays. Access to the Service Provider Help Desk by authorized personnel is made by opening a service request via Service Provider's online portal at <https://client.isgtech.com>, or calling Service Provider's Help Desk in the event of Internet outage at (866) 915-1197. Network Monitoring Services will be provided 24/7/365. All services qualifying under these conditions and those that do not will fall under the provisions of Section 6 of this SOW.

##### c. Support Tickets and Escalation

Service Provider will respond to Client's Support Tickets under the provisions of Section 4, and with best efforts after hours or on holidays. Support Tickets begin at Level 1 and must be opened by the Service Provider Helpdesk Team which will also handle Level 2 Support Tickets. If the Helpdesk team is unable to remediate the issue, the Support Ticket is escalated to Level 3 at which time the Service Provider Professional Services Team will take over. Each Client Issue will be assigned a Support Ticket number for tracking.

##### d. Hardware and Software Licensing and Support

Service Provider shall provide support of all hardware and systems specified in Appendix A, [provided that](#) all Hardware is covered under a currently active Vendor Support Contract and all Software is Genuine, Currently Licensed and Vendor-Supported. Should any hardware or systems fail to meet these provisions, they will be excluded from this Service Agreement. Should 3rd Party Vendor Support Charges be required [in order to](#) resolve any issues, these will be passed on to the Client after first receiving the Client's authorization to incur them.

##### e. Virus Recovery for Current, Licensed Antivirus Protected Systems

# How Do You Price Your Deliverables?



## User

Easy to price  
Easily shopped



## Tiered

Most popular pricing model  
If not designed properly,  
Clients usually take lowest  
point of entry



## Value

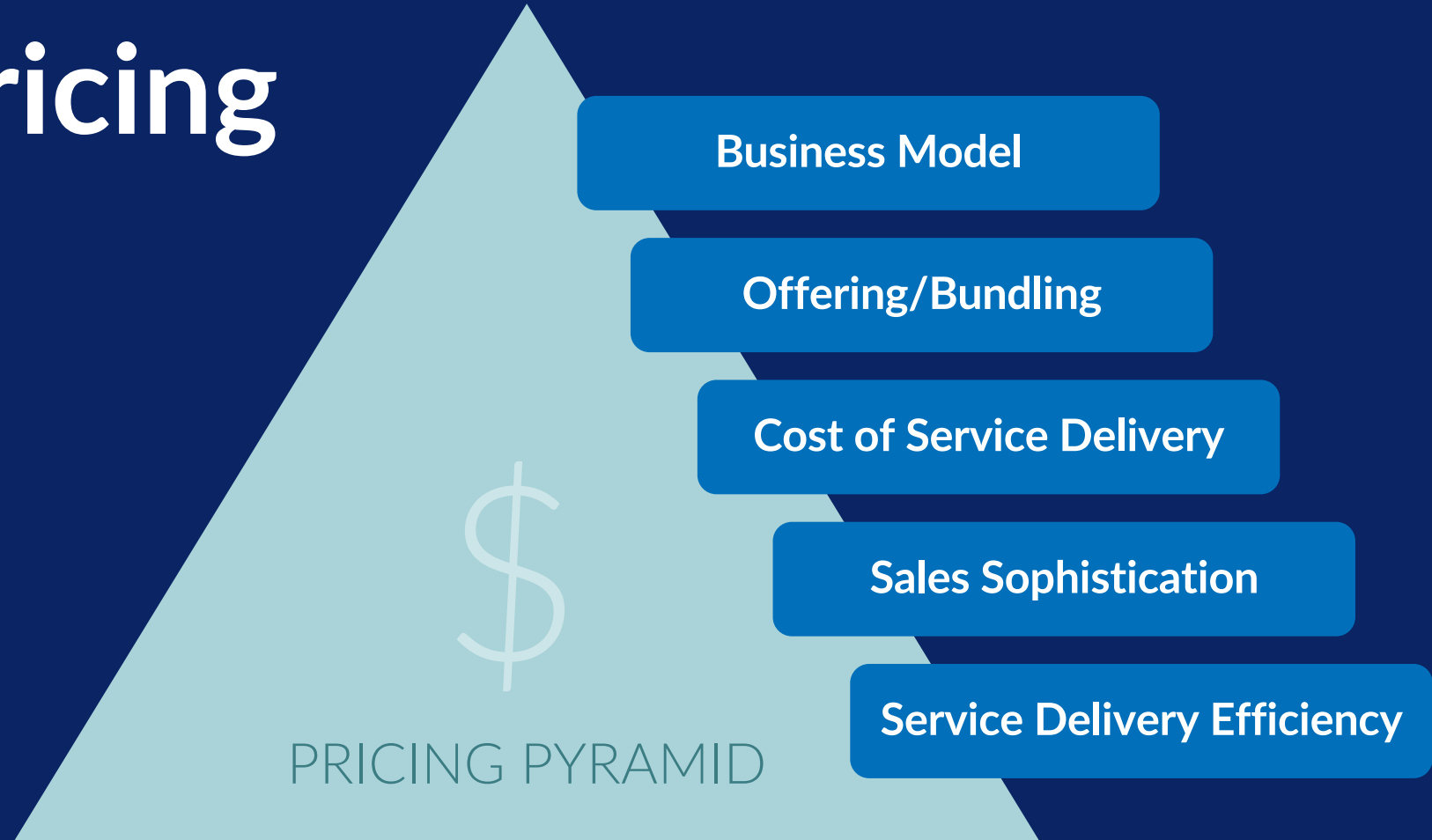
Requires more marketing and  
sales acumen to price and sell  
Can yield highest margins



## \*Pricing Considerations

Availability  
Redundancy  
Security

# Factors That Affect Pricing



# What Is Your Predominant Business Model?



## Product-Centric

Product sales > 50% of gross revenue & clients are encouraged to buy more products



## Time & Materials

Majority of service revenue is from billing clients on time to repair issues as they arise



## Project Driven

Majority of service revenue is derived from projects and clients are encouraged to upgrade often



## Managed Services/Cloud

Majority of service revenue is derived from flat rate based services



# Are You Bundling Your Offering for Maximum Value?



## Managed Services

Office 365

Online Storage/File Sharing/Collaboration  
Cloud Backup and Disaster Recovery



## VoIP

Unified Communications

Online Storage/File Sharing/Collaboration  
Hosting/Virtualization  
Cloud Backup and Disaster Recovery



## Office 365

Unified Communications

Online Storage/File Sharing/Collaboration  
VoIP  
Cloud Backup and Disaster Recovery

# HCSD Formula



Hourly Cost of  
Service Delivery  
(HCSD)

\$56.09



Forecasted  
Support Hours  
Per Month

4



Cost of  
Subscription

\$1,000.00



Total Cost of  
Service Delivery

\$1,224.36

Determine Target  
Margin and Price  
to Determine  
“Stop-Loss”,

*Then Price and Sell  
On Value!*



Total Cost of  
Service Delivery

\$1,224.36



+ 60% Margin

\$1,836.54



Retail Price -  
Monthly

\$3,060.54

# Bundling and Tiering

Managed IT Basics SLA: Best Effort	Supplier	Cost	Managed IT Essentials SLA: P1 - 4hrs   P2 - 8hrs   P3 - 12hrs	Supplier	Cost	Managed IT Plus SLA: P1 - 1hrs   P2 - 4hrs   P3 - 8hrs	Supplier	Cost	Managed IT Advantage SLA: P1 - 30Mins   P2 - 2hrs   P3 - 4hrs	Supplier	Cost
Network Monitoring			Network Monitoring			Network Monitoring			Network Monitoring		
Email Security Monitoring & Management (AV)			Email Security Monitoring & Management (AV)			Email Security Monitoring & Management (AV)			Email Security Monitoring & Management (AV)		
Anti-Spam			Anti-Spam			Anti-Spam			Anti-Spam		
Firewall Management			Firewall Management			Firewall Management			Firewall Management		
BDR/DR			BDR/DR			BDR/DR			BDR/DR		
Security Software Hot Fixes, Updates and Patches			Security Software Hot Fixes, Updates and Patches			Security Software Hot Fixes, Updates and Patches			Security Software Hot Fixes, Updates and Patches		
Monthly Security Report Generation			Monthly Security Report Generation			Monthly Security Report Generation			Monthly Security Report Generation		
			Password Management			Password Management			Password Management		
			DNS Protection			DNS Protection			DNS Protection		
			Phone/Remote/Onsite Support during business hours			Phone/Remote/Onsite Support during business hours			Vendor management for all covered 3rd-Party Security Vendors		
			Office 365 Business			Office 365 Business Premium			Mobile Device Security Management		
						Vendor management for all covered 3rd-Party Security Vendors			Multifactor Authentication		
						Mobile Device Security Management			Phone/Remote/Onsite Support 24x7		
						Multifactor Authentication			Office 365 E3		
						Bi-Annual Strategic Technology Meetings			Quarterly Strategic Technology Meetings		
									Virtual CTO Services		

# Use Your Pricing Calculator!



Description	Quantity	Cost	Subtotal	Margin	Price Each	Retail
<b>AGREEMENT TERM</b>						
Term of Agreement in Months	12					
<b>USERS</b>						
Total Helpdesk Supported Users	0	\$ -	\$ -	50%	\$ -	\$ -
<b>User Total</b>	<b>0</b>		\$ -			\$ -
<b>LOCATIONS</b>						
Total Supported Locations	0	\$ -	\$ -	50%	\$ -	\$ -
<b>Location Total</b>	<b>0</b>		\$ -			\$ -
<b>SERVERS</b>						
Physical Servers (Hardware Management)	0	\$ -	\$ -	50%	\$ -	\$ -
Physical Servers which are Hypervisors (Hypervisor Management)	0	\$ -	\$ -	50%	\$ -	\$ -
Active Directory/Domain Controllers (Physical or Virtual OS Mgt)	0	\$ -	\$ -	50%	\$ -	\$ -
File/Print/Application Servers (Physical or Virtual OS/App Mgt)	0	\$ -	\$ -	50%	\$ -	\$ -
Database Servers - SQL or MYSQL (Physical or Virtual OS/App Mgt)	0	\$ -	\$ -	50%	\$ -	\$ -
Microsoft Exchange (Physical or Virtual OS/App Mgt)	0	\$ -	\$ -	50%	\$ -	\$ -
Terminal Servers (Physical or Virtual OS/App Mgt)	0	\$ -	\$ -	50%	\$ -	\$ -
Web Servers (Physical or Virtual OS/App Mgt)	0	\$ -	\$ -	50%	\$ -	\$ -
Other	0	\$ -	\$ -	50%	\$ -	\$ -
<b>Server Total</b>	<b>0</b>		\$ -			\$ -
<b>SANs AND STORAGE CONTROLLERS</b>						
Storage Array(s)	0	\$ -	\$ -	50%	\$ -	\$ -
Other	0	\$ -	\$ -	50%	\$ -	\$ -
<b>SAN and Storage Total</b>	<b>0</b>		\$ -			\$ -
<b>BDR APPLIANCE/ONLINE BACKUP</b>						
Small BDR Appliance - No Online Storage	0	\$ -	\$ -	50%	\$ -	\$ -
Medium BDR Appliance - No Online Storage	0	\$ -	\$ -	50%	\$ -	\$ -
Large BDR Appliance - No Online Storage	0	\$ -	\$ -	50%	\$ -	\$ -
Additional Online Storage for BDRs (In Terabytes)	0	\$ -	\$ -	50%	\$ -	\$ -
Other	0	\$ -	\$ -	50%	\$ -	\$ -
<b>BDR Appliance/Online Backup Total</b>	<b>0</b>		\$ -			\$ -
<b>REMOTE STORAGE/ARCHIVING</b>						
Azure Block Blob Cool Storage for Archival Data Storage (In Terabyte)	0	\$ -	\$ -	50%	\$ -	\$ -
Amazon Glacier Storage for Archival Data Storage (In Terabytes)	0	\$ -	\$ -	50%	\$ -	\$ -
Other	0	\$ -	\$ -	50%	\$ -	\$ -
<b>Remote Storage/Archiving Total</b>	<b>0</b>		\$ -			\$ -
<b>NETWORK DEVICES</b>						
Firewalls and Routers	0	\$ -	\$ -	50%	\$ -	\$ -
Core Switches	0	\$ -	\$ -	50%	\$ -	\$ -
Edge/Distribution Switches	0	\$ -	\$ -	50%	\$ -	\$ -
Wireless Access Points	0	\$ -	\$ -	50%	\$ -	\$ -
Wireless Access Point Controllers	0	\$ -	\$ -	50%	\$ -	\$ -
Other	0	\$ -	\$ -	50%	\$ -	\$ -
<b>Network Device Total</b>	<b>0</b>		\$ -			\$ -

# GLUE X

2021

MAY 4 - 5 | NOW  
100% VIRTUAL

VIRTUAL  
TICKET | \$99

VIP  
TICKET | \$199

MORE INFORMATION AND TO FOLLOW THE EVENT VISIT

[GLUEX.CO](https://gluex.co)

# Questions?

*Get Ready for the Quiz!*



[bit.ly/mastered-quiz4](https://bit.ly/mastered-quiz4)