



The MSP CEO *7-Steps to Creating a Vertical for MSPs*

This document outlines the key steps for establishing a vertical solution for an MSP. It is to be used as a guide for ongoing discussions and to be revised along the way according to the MSP's unique value proposition.

By using this 7-step guide for developing a vertical focus, the MSP business owner will be able to generate a higher value proposition that leads to more profitable customers.

1. Determine demographics of existing customers.

This initial phase is focused on the MSP qualifying their current customer base. This includes making a determination of your most profitable, and not so profitable, accounts. Rank your customers according to how well they fit your service delivery, culture and profitability. Document the industry, # users, # locations, line of business apps and services being bought (i.e. DRBC, Office 365, Storage, VoIP).

2. Identify a niche of current customers.

Examine these demographics and you will find a particular vertical or technical specialty that is dominant. You may find that you have a specialist on staff that has a deeper knowledge of the workflow and ancillary solutions of this vertical or technical specialty.

For verticals, you may find that you have an employee(s) that comes from this industry. For example, you may have a vCIO on your staff that comes from the banking industry. Or you may find that you have several non-profit customers that use the same donor management software.

For technical specialties, individual and company certifications for an advanced technology solution may drive this focus. Examples of this would include VoIP, unified messaging, security, cloud consulting and other technology platforms. Advanced technical certifications that are deep in the knowledge of these solutions provides a higher value proposition to companies that require this enterprise-level staff.

3. Identify & determine solutions for go-to-market plan.

There are numerous solutions designed for the specific vertical, or technical specialty, you have chosen. Often there are other applications that may complement this vertical solution as well.

Key is to be able to sort out these various vertical or technical solutions and understand which one(s) are a best fit for the MSP. Focus on solutions that provide scale and leverage, and where there is opportunity for partnering with the vendor.

For example, in the healthcare industry a typical doctor's office might have as its key line of business application a major EMR platform such as NextGen. This same doctor's office would also have other solutions such as transcription, prescription ordering, time clock and other technologies that support this medical office. The MSP should look for opportunities to provide additional value in these complementary platforms.

4. Develop business model for the vertical solution.

Once you have your vertical solution, vendors and customer target demographic identified you will need to develop a business model that captures and forecasts the variables that effect the revenue and costs for this solution. It is very important for the MSP CEO to understand the direct and indirect costs associated with supporting this vertical or technical specialty.

Certifications at the staff and company level are often a key requirement in order for the MSP to promote their vertical and technical expertise. These certifications expensive and often requires multiple individuals on the MSP's staff to achieve. The business model identifies these costs, projects revenues and estimates the cash flow requirements for this initiative.

A well-developed business model will help the MSP CEO execute and understand how best to start out and develop this vertical or technical specialty.

5. Develop Business Development Engine strategy.

The Business Development Engine (BDE) strategy outlines the marketing, sales, resources, events, MDF and other key activities that will generate new sales opportunities and estimates for closing sales on this new business. Collaborating with your vendor partners and conducting specific campaigns and activities for this vertical/technical specialty is part of this effort.

The BDE should include a specific plan that contains a schedule of social marketing campaigns, sponsored events, blogs and other activities that promote this specific vertical or technical specialty. The BDE should establish this vertical specialty as a key offering of the MSP.

6. Develop Sales Enablement Strategy.

Sales enablement is the final and most important aspect for a successful new vertical practice. Sales enablement includes not only training, but also in how the MSP has a specific sales process developed around this specialty and in the team approach for selling to a customer.

A specialization offering within the MSP requires multiple roles and staffing. An ongoing training and education program specific not only to the vendor partner, but also the industry, develops the staff to have a deeper business knowledge of the solution. Many vendors require multiple sales and technical certifications which is a big investment by the MSP.

An effective sales process is also key to sales enablement. The sales process will help the sales team in qualifying new customers and how to articulate the value proposition of this specialty. It identifies resources required for each step of the sales qualification process.

7. Develop Agreements, Contracts and SLAs.

It is important to have the appropriate agreements, contracts and service level agreements (SLAs) for this new vertical solution. This phase includes a review and revision of current agreements to ensure compatibility and consistency.

For more help and information on creating a vertical specialty for MSPs, visit www.mspceo.com.