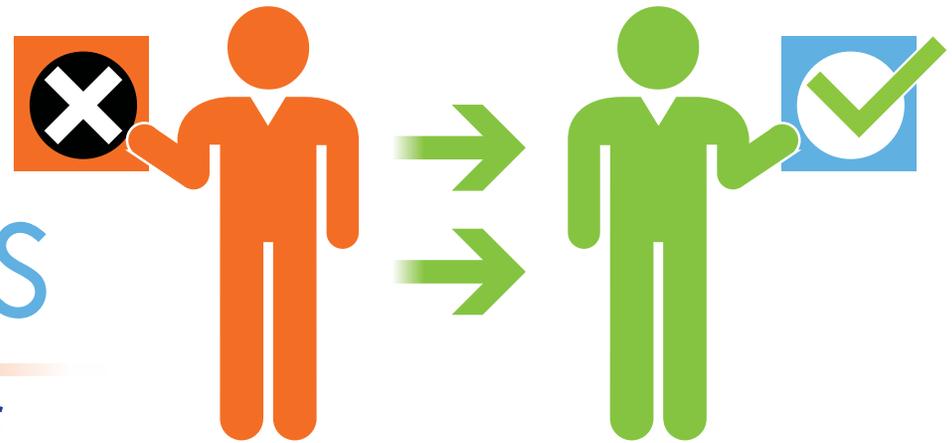


Recipes FOR Success



How to transition the rest of your break-fix customers to *managed services*

If the majority of your customers are on managed service contracts, you're **earning steady monthly recurring revenue (MRR)** and see the value in this model. But, transitioning those remaining customers who are adamant about staying with the break-fix service model can present a challenge.

This step-by-step recipe will walk you through how to navigate this tricky transition, arming you with the right tools to demonstrate how managed services can help make customers' lives easier and help you **close more managed service business** with these sometimes stubborn customers.

Key Ingredients:

Monthly recurring revenue



Business planning meeting



Introductory managed services package



Assessment of customer needs



Proactive updates

Network audit



Sales collateral



1. Uncover customer pain points

First, connect with those remaining customers to identify their reasons for staying break-fix. Start by sending **proactive updates** about cyber threats and IT trends in their industry.



Then, mix in a **business planning meeting** to uncover their needs.

Regularly set aside time to conduct these types of meetings. During each meeting, discuss why break-fix IT services work for their business. Keeping those factors in mind, assess their needs by performing a **network audit** and asking about their challenges. How much time and money do they spend on IT maintenance and repairs? What processes do they wish could be automated? The goal is to find out how their business works and identify how your services can help them.

2. Assess your offering

Next, determine what a complete package of your services would look like for this type of customer. You'll need to figure out what's missing from your offering by comparing your current services to what your customers are looking for. For example, maybe the customer needs a basic starter pack with just a few services. Then, bake up an **introductory managed services package** that addresses those needs and includes the services that you know are essential to protecting their business.



3. Prepare your argument

Before you approach the customer with the new package, prepare for the objections you might face. Begin by noting any issues that came up during your initial planning meetings, such as if a customer said, "Nothing is broken" or "I can't afford it." Then, craft a piece of **sales collateral** that addresses these objections, and serve it up to the customers at your next meeting. This document should spell out the ways that transitioning to a managed services contract will help their business.



4. Educate customers on value-add

Top it all off by educating customers on why making this transition is best for their small business. Schedule a follow-up meeting and introduce the added value managed services provide by showing them the limitations of a break-fix relationship.

Outline a situation where they needed your services to fix a problem on site, showing them how much it cost their business. Then, use the sales collateral you've created and your **assessment of the customer's needs** to follow-up with a detailed breakdown of the cost of ongoing maintenance over time compared to the cost of managed services. Having proof will validate why moving to managed services better protects their business and should help close the sale.



Write a strategy document

Create a strategy document that details how you're going to convert the final remaining break-fix customers. Having a well-thought out plan will help you to more quickly convince those customers.

Build a relationship

It's important to build a trusting relationship with your customers. Nurture relationships by scheduling regular meetings and sending emails that provide value to the customer. This keeps the lines of communication open and creates an opportunity for you to make the sale later on, when the customer is more comfortable.



Tips from Barracuda MSP Partners:

"Skeptical customers will always exist. Providing case studies often works in converting them."

-Eric Janson, President, Parallel Edge, Inc.

"Try to show your customers that you're on the same team as them."

-Jeff Weiss, Managed Services Engineer, The Office Technology Group