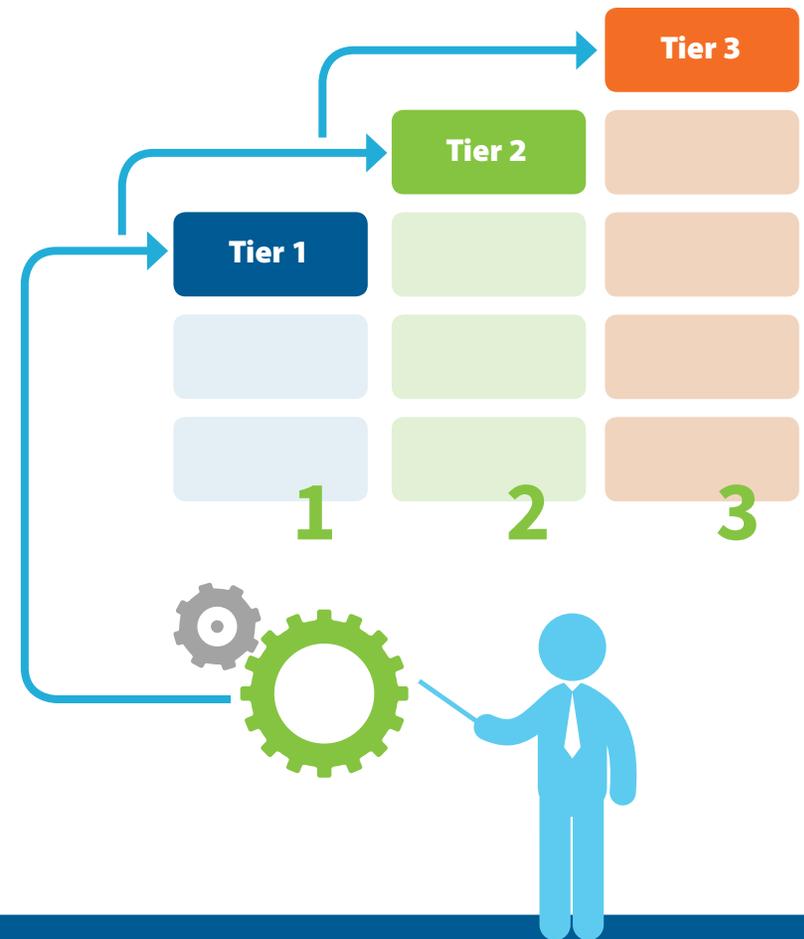


Recipes FOR Success

How to Create Service Tiers

Bundling different levels of managed services into easy-to-understand packages simplifies the sales process and makes buying decisions easier for your customers. Just follow this simple recipe to transform the way you package your services.



Key Ingredients:



Complete list of all your services



Fully loaded cost of each service



Analysis of customer pain points



Breakdown of customers and their needs



Realistic revenue goal



1. Evaluate your services

First, review the complete list of all your services and do an honest inventory of how they're being used by your customers. What services are used together most often? Are there services that are currently optional that would benefit both you and the customers if they were more widely adopted?



2. Pick a structure

Next, take the breakdown of your customers and their needs and use it to gauge how many service tiers you should use. A two-tier structure (basic and premium) is a good place to start, but many MSPs prefer to use three tiers (gold, silver, and bronze) in order to serve up more tailored packages and create additional opportunities to upsell customers as their needs change. Check out [these examples](#) for ideas on what to include in different tiers.



3. Determine pricing

Then, you need to cook up a pricing strategy. Mix together the fully loaded cost of each service included in the package with your desired margins, and set the price for each tier based on those numbers. Remember, you need to account for the time and money it costs to support the solution, not just markup the cost of any software, services, or storage that you're reselling. Take your realistic revenue goal, and run the numbers against it to make sure your pricing is appropriate.



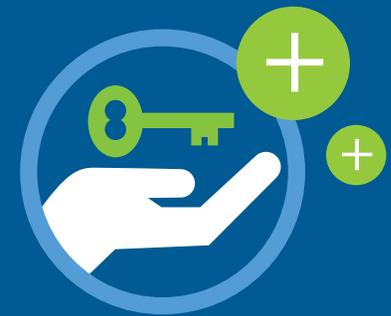
4. Sell to pain points

Finally, identify the challenges each customer is facing and use that analysis of customer pain points to sell them the appropriate service package. For example, businesses in a highly regulated vertical like medical or financial may need to purchase a higher level of service in order to stay compliant.



Bake in backup

You can offer complete data protection for all tiers or scale protection across tiers in order to provide more affordable options for smaller customers. Read more about how to drive more revenue with these two options in [Pricing Data Protection in a Fixed Price World](#).



Emphasize added value

Creating service tiers is a good way to make sure your time, effort, and expertise is accounted for in your pricing, so when you talk to clients remember to stress the value-added services you'll be providing in each package.

