

Your sales team—stoked or stalled?



Gritty CEOs who take the transformational journey from VAR to MSP must creatively destroy the tried and true, the old and reliable, to rebuild around the unsure (sometimes overhyped) new thing. Done right, every aspect of the business undergoes some level of re-engineering. The entire back office operation is put in play—new legal agreements, SLAs, and billing mechanisms need to be acquired or built from scratch. At the front of the house, products must be developed, the service catalog and SOPs created, monitoring and ticketing tools bought, and compensation plans rejiggered.

After all that and more is accomplished, you're still not home free. You need managed services customers to start the ROI ball rolling. A freshly trained sales team is unleashed with groovy new MSP collateral in hand and—guess what—nothing happens. Thirty, sixty, or ninety days with one deal, maybe two? What's happening? Ask any CEO about this and they'll tell you—a lack of sales force confidence is the number 1 reason for MSP transformational stall. The same killer reps that got the business into a VAR leadership position just don't believe in the new thing. They lack essential confidence in the MSP business model, and until they "get it," customers won't either.

What can be done to build sales force confidence in the MSP business? In an earlier brief, we discussed the criticality of creating a strategically aligned sales commission plan. That's an important piece, but more must be done. Here are four plays that can help get your sales team fully engaged in MSP sales success.

1. Lead from the front

There is no substitute for one-on-one sales mentoring when launching the new MSP business model. Commit right out of the chute to take the sales lead with your top 20 managed services prospects. Be there with your team laying it all on the line in front of the customer. Get the customer pushback first hand. Answer the objections. Take your beatings together. Nothing is more demoralizing for a sales team than an executive second-guessing from behind the desk. Conversely, nothing builds passion and engagement faster than a sales team that sees their leader out in front when the tough stuff is flying around.

2. Just say "SKU it"

Simplify product descriptions and pricing. Then do it again. Then do it again. If your sales pros don't understand how MSP deals get structured, priced, and closed they will just skip it. They will fall back to old reliable, what they know, where their expertise lies, and where they make money. Idea: Steal a page from your OEM channel partners. Create a plain English services catalog with managed services "speeds and feeds". Make it crystal clear how each technology in the catalog will be implemented, monitored, and managed—daily, weekly, monthly. Fit all your managed services pricing on an 8 ½ by 11 spreadsheet. Ten supported technologies multiplied by two service tiers equal twenty "SKUs. Don't kill what bought you success. Embrace the "box pusher" mentality by turning your MSP offerings into "boxes."

3. Overlay and overpay

Speed is your friend. Time is your enemy. The longer it takes to get managed services sales traction, the more likely it is that your business re-engineering will go into permanent stall. Be in a hurry. Be prepared to “overlay and overpay.” Pop for pre-sales engineering talent with bona fide managed services experience. One outstanding pre-sales engineer should be able to overlay up to six sales executives for a regional mid-market MSP. Having a “Pro from Dover” riding shotgun will give the sales team confidence that they have the expertise in the room required to compete and win. Next create a richer “charter launch” commission plan. Award the first twenty closed deals or any deal closed in the first six months at 2 times the normal multiplier. And don’t forget to juice your new SE. Get them in on the commission action and you will see unprecedented scale from an overlay engineer.

4. Good now, better later

Rant: It’s ironic how VAR sales reps will eagerly sell new and unproven v.1 technologies from OEM channel partners, knowing that there may be early adopter pain later. Yet these same reps will push back on selling new managed services offerings delivered by their colleagues in the cube next door. It’s inevitable that newer MSPs will have delivery and support pain early in their quest for operational excellence. Own up to this fact early on, while demanding that the sales team give their co-workers the same breaks they extend to the big guys like Cisco and Microsoft. Focus on operational betterment at your weekly sales cadence. Talk about the good, the bad, and the ugly. Bring out the facts on delivery/support miscues and explain how you are getting better. The actual facts surrounding an outage are usually much less dramatic than what the sales team is contemplating in the break room. Let the team see the on-going commitment to best in class service.

How did your business build sales team confidence in new managed services offerings? What were the sales management difference makers that really fired up the pipeline?

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