RICHARD TUBB'S
TUBBTALK
THE PODCAST FOR I.T. CONSULTANTS

Joined by
CRAIG SHARP

MSPs are often seen as local trusted advisors. I'll be talking about people who I've done some work with, who themselves are MSPs, yet we don't see ourselves as competitors.

The key reason for that is geography. Abussi is based in Birmingham and the people who I'm going to talk about are based in Sussex and on the south coast of England. The geography means that people in Birmingham are not likely to seek out companies in Sussex, and people in Sussex are not going to seek out an IT support company in Birmingham.

People you meet at MSP events are not your competitors, they're sharing the same experiences, many of which can be passed on for your benefit.

To be a remarkable MSP, you need to embrace change. It's about being different and making a difference to the people who you service. Coco Chanel said something that really resonated with me: "In order to be irreplaceable, one must always be different".

One of the things many MSPs really strive to be for their customers is irreplaceable. You don't want your customers to think that the service you're providing could be taken from anybody else. Elements of it are similar, but for your customer that connection is really important.

I think Coco had it right. In order for you to be irreplaceable or begin to become irreplaceable, it's worth considering if you're different, or if there are differences that you can make to your business.

When you're at a networking event or a conference, consider what opportunities there may be for you. Maybe by making some changes or offering some differences, both internally and externally, there may be an opportunity to raise your game.

There's always room for improvement and there are always opportunities that present themselves to be even better than you are. That's really the big difference between being a good and being a great MSP.

I'm going to talk about three MSPs that have experienced a business change, a personal change and also a cultural change. There are some lessons to be learned from these, and there are some really striking metrics which can be taken from these examples.

I'll also talk about the results that have come from those changes. If you're different, that often offers you the opportunity to be better, and sometimes being different is better than just striving to be better.

It also means you can be remembered. Some time ago, Cadbury, the chocolate manufacturer, started producing adverts featuring gorillas playing drums against a purple background. They stopped talking about chocolate and only talked about the gorillas, but over time, the public identified that as a 'Cadbury thing'.

There were also stories about transforming road traffic management by removing the white lines from the middle of roads, because it's been proven that people drive more cautiously and more carefully when they're not there.

These examples demonstrate how when you do something differently or make a difference to how you have done something in the past, some transformational changes may well be the outcome.

If you're remembered for doing something different, these bring added opportunity. I used to go to networking events and I would hang a (computer) mouse around my neck. People would remember the mouse every time they saw me, and that I was a technical person.

However, sometimes we just go back to what we've always done, to what we feel comfortable and safe with. What worked in the past, comfort and safety are good things, right?

The first example of how difference had a significant effect is a company called Flying Fox IT, which is headed by Jonathan Fox – not just a clever name! Jonathan, like most people, was a pretty good MSP down on the south coast with a strapline of: "We do IT support for SMEs in East Sussex."

The company had been successful, but it had good times and bad times, expanded and contracted, and Jonathan decided he wanted to make a fundamental business change. The process that he went through to make that change was to identify a niche market.

Serendipitously, he got talking to someone who was a user of Xero, the accounts software challenging Sage. They invited him to a Xerocon event, which is like Comic-Con for accountants, but with fewer costumes.

He decided it might be interesting, and went along to Xerocon with limited expectations, but found he was the only IT company in a room of 400 people. He was the only person who could actually implement any of the things that many of the people at the event had gone along to find out about.

It's fair to say that was a well-defined and under-serviced niche. He left the event with 21 new opportunities, of which all of them were four or five figure sums. He found a market which was not serviced by existing IT companies.

Jonathan struck gold, but he didn't do it by accident, because he'd identified that he needed to find a niche. He needed to break away from the traditional services that were being provided by a traditional MSP.

This is a really good example of how sometimes, if you make a change or break away from what you've always done in the past, opportunity can mysteriously present itself.

You've got to be open to the opportunity and to exploring new markets. Jonathan's website now has a niche, specific title for what his company does: He provides IT support for Xero-certified accountants, bookkeepers and their clients.

It identifies the market and requires a simple marketing approach. If your business is modest in size, with modest marketing budgets, you can target specific markets and not just throw money in every direction.

We take away from this the first lesson about difference - don't be afraid to do something that's different to what you've done in the past. Just because the past has worked, it doesn't necessarily mean it's going to work in the future.

The core theme is the rapidity of change; how things change so quickly that often you can't keep up. Things that worked five years ago probably won't work in five years' time. Flying Fox IT identified a niche, looked at it, found it was poorly serviced and made a change in their business. They now trumpet that change on their website.

The next example is where someone thought and dreamed big: Southern IT Networks, who are based near Eastbourne. They're run by Michael Freeman, who lived a life that will be familiar to most MSP owners: no holiday, long hours and too integrated in the business.

A lot of people running technical businesses end up in the same way. You start off as a technical person and then you find yourself running the whole business, so you work in the same way, but doing increased hours and putting in more effort.

As BT used to say: "Work smarter, not harder." Michael decided he needed to be smarter, because the hours he was putting in would probably lead to a health problem, and his lack of holidays wasn't popular with his wife or kids.

Michael undertook a personal journey, focused very much around himself first. He decided that he did not want to be as integrated into the daily business of his business as he had been up to that point.

He wanted to develop new skills and begin to move himself out of the daily activity of that business. He wouldn't look at every ticket that came in, wouldn't manage every purchase that went on, and he'd stop getting involved in the daily activity.

He was then able to empower and delegate to staff many of the tasks that he had done in the past. It brought about a cultural change within the business and that spread to things like deciding to move to new offices.

Michael decided the offices the business was in were modest, and that was a physical manifestation of the modest aspirations that the business had had. Thinking differently to the way he had before, he was able to make changes in his business. He led from the front and demonstrated that he didn't need to be so involved.

Because of these changes, Michael made a 1007% profit increase – that is the real figure. He also landed a client worth £135,000, and his technical director is now in the process of authoring a book regarding Office 365.

That came about because Michael himself wanted to make a fundamental change in his business, and he decided he wanted to be a leader, not a manager. Those two words are often seen as meaning the same thing, but it's really important to see the difference between managing and leading.

If you lead, you have to delegate. If you lead, you can't do everything. You need to be able to empower people to make decisions for themselves. In essence, you have to let go, and this is how you will make a fundamental change in your business so it can move forward.

The question and the challenge is: "Can you?" You don't HAVE to, but if you want to make changes in your business, maybe you ought to think about this. If you hold onto something too tightly, it can get strangled and you won't move past a certain level, which I've seen with many IT businesses.

Often, it's because the person running that business is not happy to let go, or to release some responsibility, and allow people within the business to be free from the constant interruption of their involvement.

They have to let go and give those employees the training and the empowerment that they require. If you don't make any change at all, you will effectively go backwards because the world will pass you by, and that happens at an increasingly fast pace.

There's a fear in the IT industry that if you train your staff well, then they leave. Well, think of the opposite: what if you don't train your staff and they stay? Is that as scary as them leaving?

If you end up with the same people sat at the same desk, with the same level of skill doing the same job for the next 10 years, your business is unlikely to last, because the pace of change will have moved so quickly.

In 2006, the small business MSP community was still embracing Microsoft's Small Business Server and we hadn't had SBS 2008. Back then, people had Small Business Server 2003 in their offices, which required certain technical skill.

And now, just 10 years later, those kinds of technologies feel a bit old. There may well be people still using those kind of deployments, but you'll be looking towards cloud solutions, if you're not already beginning to migrate.

If we take Moore's law, that things increase exponentially over time, the next five years will be as much of a change as the previous 10. The takeaway is this: don't fear training, educating and empowering your staff just because you worry that they may leave. The biggest fear is that you don't train them and they stay. That's the thing to be mindful of.

Southern IT have a website which is clearly trying to get across the fact that it's a company that can be a trusted partner. This is what we've tried to achieve ourselves at Abussi.

We want people to see us more as consultants than 'the IT guy'. The IT guy is a bit of a straitjacket, but hopefully I can demonstrate that within the role of being a trusted advisor or a consultant, there are many different ways that you can help through knowledge, service, operations and offering solutions.

Ten years ago, we were "the guy in the van with the screwdriver." We turned up when something broke, fixed it, went away and charged by the hour. It's what most people did.

We were trying to break into new areas, but we were persistently being let down by third party vendors and other suppliers. The telecoms industry comes in for a bad rap, but that's justified in my mind. It's difficult to work with partners in that industry, I have found.

We had a real desire to expand our services and our opportunities, but we needed to make a cultural change within the business to do so, and the cultural change was based partly around an internal process, but mostly about how we projected ourselves to our potential and existing customers.

We sat down and did some research about where we'd wrong, and how we hadn't managed to educate clients to the fact that we were more than just the guy with a screwdriver in a van that turned up when things went wrong.

We really took a fundamental approach around the idea of selling. We stopped selling, which sounds terrible, but what I've found from my own business is when you're less technical and less sales, people listen to you more.

My wonderful wife is a good example. She's a very competent, high-level manager in local authority. She's not a stupid person, but I can get two sentences into a conversation about my day and she'll say: "Hang on a minute, I have no idea what you're talking about."

We often fail to realise that most people don't understand what we do, and they don't care. They just want stuff to work. Their primary motivation is: "Do I pay the right amount of money and does stuff work? When it doesn't work I can shout at you and tell you that you're charging me too much money, but as long as stuff works I don't care how you make it work."

Sell less, be less technical and understand that the client doesn't want to know about gigabytes, megabits, fibre to the cabinet, and so on. They want to know if they're going to get fast internet, you can make it happen tomorrow, and how much it will cost.

We identified some internal skills that we were underutilising, as Southern IT did. We found that there were some people in our business with excellent interpersonal and technical skills, and we weren't using them in the right way and getting as much out of them as we could.

When we started utilising them better, we became valued more by our clients and we got to have the most important thing that you need as an MSP: we got to have more conversations with them.

The one thing that you want to strive for as an MSP is a conversation with your customer, because what you don't want is the opposite. You don't want to get a call from a customer to let you know they've made a complicated, technical investment that they discussed with others when you weren't part of the initial conversation.

You're then playing catch up and thinking: "How am I going to make this work?" Your clients don't care how it works, they just want to know it will, and they probably told the technical salesperson who sold them the solution: "Don't worry, we have a great IT guy; he'll come and sort that out."

You need to be involved in conversations. If you don't sell, if you're more consultative and less technical, you can do exactly that. For us, that allowed us to build stronger business relationships with the business owners that we worked with, and so began this self-perpetuating cycle.

When you build those stronger relationships, when you engage more with the people that you're servicing, when you have those conversations, you can build a better relationship with

them. We started to say that we were integrated into their business. Their success was dependent upon our ability to service their requirements. More business advisor, less IT guy, or gal.

Part of the process to do that happens before we even engage with a new customer. The excitement of gaining a new customer when you've had an opportunity, and the desire to rush in and sign up the prospect quickly and secure that business is almost too hard to resist.

But you should try, because the period before you sign them up is the most valuable opportunity that you get to define how you want to work with them, and it's also the time for you to explain how you'd like them to work with you.

I will be honest and say that I've visited prospects and declined the opportunity. You might wonder how I can do that, but it's really easy. You can tell when someone will be a nightmare to work with, so you can say to them: "Thank you very much for the opportunity, Clive, it's been lovely, I've learned so much about your business, but on this occasion, I'm really sorry, I'm going to have to decline the opportunity."

A couple of things will happen when you do this. The first is that they won't care, and the reason for this is because you'll be one of seven people they'll be seeing that day. They've probably already made a decision based on price and, in my book, if you're making a decision as a service purchaser on price alone, then you're definitely not somebody I want to be speaking to.

They'll just go to the other six and say: "Which of you is the cheapest? I'll buy you. Thanks very much, problem solved." It's important to build the relationship and be seen as trusted, and there's nothing that shows that more than declining an opportunity.

People will remember you, and if they end up with someone who's cheap and readily available but doesn't give a good service and it doesn't work out, they might come back to you, and then you can see whether there's anything you can do to meet in the middle.

It's important to explain to people when you first engage with them that you want to be their IT partner, to talk about things that are ongoing, to invest in them, and you want them to understand that what you're there to do is take away the daily drudgery of their technology problems. You need to be as broad as that, so it's not just IT problems.

With "bring your own device", VoIP and cloud-based services, you're going to get involved in conversations that aren't just about network infrastructure, PCs and laptops. That's a really small part of what we do on a daily basis.

There'll always be the problem of "Maureen in accounts" who can't get the printer to work. I use Maureen as an example of an ordinary person who will encounter problems, and you can picture her (or him, if you like).

They phone up with a problem which usually has a simple solution. This stuff will happen and you need to try to reduce the cost of that support. You don't want to be seen as the person who just fixes printer problems. You've got to have conversations and be different to the people who are in your market sector.

For Abussi, the benefit of being able to say to people: "We want to be in conversation with you. We want to be your partner and to invest in you, because your success is our success," has allowed us to talk about introducing things like the convergence of voice and data. That's something that everyone's talking about but most people haven't done it.

70% of our clients have a Voice over IP system which is installed and managed by us. I don't really get on well with telecom partners because we've taken their business away. If you own something, you can manage it better and improve it for in a more straightforward way, and the customer sees better value from you as their partner.

Managed print companies are coming to this quite late. When they put a photocopier or printer into a business, they've got access to about 5% of that customer's technology spend. They want to get involved in Voice over IP, IT support, broadband services and network infrastructure.

There's a growing trend in the UK of large managed print companies going around buying up small IT companies. They do it so that it allows them a greater opportunity to have a share of the spend of any given customer, but you can do that.

You can build those relationships and have that conversation, and if you don't have the skills in-house, find a good partner and work with them, and build those relationships with your customers so they know you can do more than look after computers and fix printers.

It's all about demonstrating that you are no longer a commodity service, because when you are, you can be replaced tomorrow. If you only offer a bit of reactive IT support, there will always be another reactive IT support company down the road that can do what you do for 5% cheaper.

If you're a trusted advisor, if you're somebody that's having conversations with customers, if you're getting involved in early decision-making processes, that's a relationship that's really difficult to break. It might still break, if you do something unfortunate and catastrophic, because these things can happen.

Here's an example to demonstrate what I've just described. I got a call from a client, a telesales company with 25 people, to let me know they were moving office. The managing director wanted me to go and look at prospective premises with them, and "offer my expertise about what's missing, what they might need and could do to make it work for them."

It was so heart-warming, because it was really good to know that the customer understood what it was that we can do for them and wanted us to get involved at an early stage.

It was exciting to have that conversation because I have been in situations where clients have phoned up to tell us when they're moving and ask us to come along and get everything sorted. The first chat is better than the second.

The way our business differs from many other shows on our website. When it was redesigned, I told the design team I didn't want pictures of a comms room, a network switch or patch leads anywhere on the website, and there isn't. It's thought-provoking, sensible and has clever ideas. We promote the difference and being different, because we're proud of it.

Questions:

Speaker 2: Do you charge for seeing the customer, or do you build that into a part of your IT services?

Craig Sharp: I never charge to go and visit a client, and certainly not a prospective customer prospective customer. I explain it like this: "If you offer an 'all you can eat', Monday to Friday, 9 to 5 service, you've based the cost on the size of their IT estate: bigger companies pay more than small ones. Which means every time they call you, you are losing money."

The trick is to try and reduce your cost of support to the point that the calls that come in are either very serious, or relatively low-level and conversational. We try to make sure that we're so proactive that most of our engagement with the customer is not whether we can fix something, but if we have a service that can help them.

While there's a myriad of things that helps you get your foot in the door, there's a lot of compliance issues with legal and financial people, with email signature and with archiving compliance. These are dull but important conversations to have with the customer, and they're fee-earning.

You want to move away from printer problems and have more conversations about fee-earning. You build a cost into the service that you've then had a conversation with them about, so that you don't charge to talk to them.

In Summary:
Being different is good, what you want to be worried about is being the same as everybody else and not being different. Being broad is bland: if you try to offer too many things, you'll just get lost in the midst of everyone else offering everything too.

Remember Flying Fox? How niche can you get? Xero certified accountants, partners and clients. Think about being specific and niche and not broad and generic. In terms of Southern IT, lead from the top internally and show leadership. Somebody has to take the reins and drive the business vision forward.

Doing nothing, frankly, is not an option. You have to be able to realise that change is required, embrace the difference and move forward, even if it causes waves. Technical

people often fear change and don't want to relinquish responsibility, but it's amazing how transformational it can be when those two things do happen and if they're managed correctly, a lot of positives can come out of them.

Seeking help and advice is not a weakness. I'm not a bad swimmer, but if I decided to swim the Channel, I'm not just going to rub a bit of goose grease on and crack on from Dover beach - I'm going to need a support team and a little boat alongside me.

There are lots of things that you do day to day, but when you want to embark on something that's new, different and a bit bigger than normal, maybe you just need someone to help you and make sure you reach the other side. When you achieve the goal, they can drop away.

My challenge to you is this, what are you going to do next? What is it that you can do to make a change in your business? It doesn't have to be big. How do you eat an elephant? One piece at a time. Challenge yourself today to make a difference.