



RT: I'm joined today by Daniel Welling of Welling MSP, who are a specialist recruiter for the managed service provider, value-added-reseller and IT support business community here in the UK.

Daniel himself is very familiar with the IT industry, having over 23 years' commercial IT experience, including co-founding, developing and selling his own MSP business. Daniel, welcome to TubbTalk.

DW: Hello!

RT: Whereabouts in the world do we find you today, Daniel?

DW: I am in not so sunny Marlowe today, located to the west of London, on the River Thames, currently in a darkened office with the door shut so we don't get kids coming in and making a noise and becoming a widely- distributed video.

RT: I think there's going to be a lot of people listening who totally empathise with that situation. I'm sat here in the studio-garage here in Newcastle upon Tyne, so I've got the door closed!

Let's jump straight in and start with your background. I've already alluded to the fact you've got a lot of experience in the IT industry specifically with MSPs. What did your journey look like? Where did you come from?

DW: By trade I'm a salesperson. My first sales role was in 1995 and involved selling products over the phone. I remember getting orders faxed across to me and also faxing quotes. I remember my first email experience too, which seems like all of 23 years ago!

I started out selling IT, at the time for what was called a value-added reseller. That was NetWare servers, Windows 311 on the desktop, and I have really fond memories looking back. I made some money doing that, as I think all of us involved in the industry at that time and before did, and always had in my mind that I wanted to be a business owner.

I found the opportunity in 2002 to start a business, not on my own. My next-door neighbour, who was also a customer and a friend, was at a similar point in his background - he was an IT manager for a company. Together we thought we had technical and sales and that was what we needed to found a business.

That's how we started back in 2002. We sold the business in 2014 as a trade sale. After that, and after a break away from IT, I went back to work for the acquirer and held a couple of roles with them - a directorship and eventually a consultancy role.

It was during that time that I actually discovered the MSP community, which I'd really not had any involvement with whilst being an MSP business owner! Only when I had the time did I discover the community and realise the sheer volume of MSPs in the market. That got me to thinking about how I could work with the MSP market: what their needs were, what my needs were when I was running a business and during my time with with the acquirer as well. That's really what's led me to where to where I am today.

RT: I want to talk specifically about recruitment, going forward. This is going to be a hot topic for a lot of people listening to this, but there's a couple of things I want to pick up on just on what you said about your experience.

First of all, I think there's going to be a number of listeners get a kick out of hearing mentions of NetWare and fax machines. Do you know, I actually had somebody asked me whether I had a fax number the other day? You can guess what my response to that was! I said, 'No, it's not 1990, we don't use faxes anymore!'

The second one, joking aside, you talked about you weren't aware of the MSP community. That's not unusual. Why do you think an MSP, and you grew a big MSP which was very successful, how can this whole community and there's a number of different communities, do you think bigger MSPs aren't able to become aware of the MSP community out there?

DW: I think it's a time and an unawareness issue. If we pick time first of all, unless it's a customer meeting or I'm recruiting someone, or writing a proposal or closing a piece of business, everything else is secondary when you're at the coalface.

The thought of taking a day out of your schedule and going to a CompTIA event and mixing with the competition, giving away trade secrets, all of those emotions were, I think, what was holding me back from being involved in the community before.

The awareness thing: I might hear about an event, but I'm busy, and then when I've got time or I'm not so busy, I've forgotten about the event or that group. I think just as marketing experts would tell us there's seven times for a message to stick, CompTIA has probably been the biggest kept secret in the marketplace. CompTIA had to communicate to me seven times before it would click for me that it was something I should be investing my time in.

I think it's a timing thing and I think that's true of a lot of MSPS. They start out in survival mode, and it's all about bringing the money in. Then there's an awareness that the business needs to be built to operate without them being involved day to day. I guess it's part of the evolution of the business and the MSP owners' perception of what they should be spending their time on.

RT: Clearly, you've got value out of being involved in the MSP community since you've become aware of it. I've seen you at events and you've picked up a lot of business with your current business out of that as well. What would your message be to any MSPS perhaps stumbling across this podcast or listening who have never been to any events like CompTIA or Network Group or any of the user groups. What would your message to them be now, knowing what you know?

DW: Get out there and invest the time, just the same as you would go networking or prospecting for professional connections that you would hope would lead to new customers or new opportunities there, do the same within the industry.

Like all of these things, there's a balance that has to be applied. Maybe set yourself a KPI of doing three events a year in your first year. There are free CompTIA events or meetings that you could go to, so you could go to one CompTIA event, you could go to the event in September, The Managed Service Hosting Summit in central London.

The key thing about going to those events is not only will other MSPs be in the room that you'll find a lot more approachable than you imagined they might be, but you'll also find a concentration of the vendors. It's difficult to keep abreast of the market, so thankfully we have some great content that you're creating that condenses down some of the key messages that are out there for MSPs to consider.

Nothing beats being in a room and being able to go and see two or three different business continuity vendors and doing a comparison there and then of what they can offer and where the opportunities are for you and for your clients.

That in itself is the payback, let alone the titbit that you might pick up from another MSP, but also the sense of you're not in it alone. It can become an onerous thing running a business. It's very lonely at the top, as they say, even if your fortunate enough to be in a management team that has a number of members, it's still always good to get outside perspective and just know that you're not doing all of this on your own.

RT: Great advice. I've gone on record more than once, saying how good the community has been to me, how much I've got from it, and one of the reasons I do the podcast now is to try to give back.

Let's get back to a recruitment. You've shared a little bit of your story, your MSP journey, and now you're running a recruitment business that specialises for the MSP industry. Before we talk about recruitment in depth, I'm intrigued - what was your primary motivation toward starting a recruitment business?

DW: Since I'm no longer actively running an MSP business, I do actually really enjoy the space and wanted to find a way to continue to work with MSPS and add value, ultimately solving problems that others aren't. I guess, if you talk to most MSPS, their top two considerations that are holding back the growth of their business are more customers and more staff.

Of course, there are lots of tools that help with the automation that reduces the number of staff needed or increases the effectiveness in the staff that you have. But fundamentally what MSPs sell is the relationship between them and the customer, and it's people that provide that. When I was looking to grow, I'd always either have not enough staff or not enough customers. The trick was to narrow the gap between those two challenges.

Adding value, solving a problem that others weren't... I did some research, couldn't find anyone that specifically specialised in recruiting for the MSP space. Plenty of IT recruiters, but recruiting for a contractor to go and sit at a help desk at a bank in the city is a very different skillset to a multi-client environment that MSPs deal with.

Putting the phone down to a 20-user network, problem with email, picking up the phone to a 100-user network, remote connectivity problem and being able to jump from environment to environment... Not only at the technical but at the commercial level as well.

A particular type of person thrives working in an MSP environment and enjoys the diversity. For others, they wouldn't enjoy it and they wouldn't flourish. Matching the person with the environment is absolutely key. I felt that there was a gap there that needed to be filled.

RT: There's definitely a gap in the market. For my own background, I started out my career working in corporate IT, working for organizations like Serco and Ernst and Young, and working on the help desk there is a completely different thing from working on an MSP help desk.

In fact, I've seen corporate IT people who've gone into the MSP world and not lasted very long, because their minds have just been absolutely blown by the number of things that an MSP help desk engineer has to juggle around.

There's definitely a gap in the market there. But before we go on, we've got to address the elephant in the room here, Daniel. And that's to do with the recruitment industry as a whole.

It's fair to say it's got a pretty poor image: shady practices, slimy recruitment agents, it's not a wealth or sub industry at all. Why did you choose to start an MSP-focused recruitment agency in what I can only describe as very shark infested waters?

DW: That was one of my first thoughts really! I guess it was either this or estate agency would have been the other way to go. Some of that answer is in what I've already said about the specialisation, getting down to the real niche of what an MSP requires from their people.

The other key thing, I think that puts MSPs off working with recruiters is the commercial implication of the fee structure and the risk balance. Paying a percentage of the salary as a lump fee that's due normally within the first month or two months of employment, and I guess not knowing if that new person is going to last the distance is a big risk.

The other issue is that that fee structure is totally opposite to most MSPs' cashflow profiles. We've all moved from big chunks of money in a project sense, to smaller amounts of money spread month to month. Effectively, the commercial model I've employed is one that matches the MSPs' cashflow requirements and risk profile.

To briefly explain, it's a percentage of the monthly salary for up to the first 24 months of employment, thereby sharing the risk that the employee will last the distance, but also sharing the commercial implication of having taken on the extra overhead of the extra salary, the extra beak in the nest that needs to be fed every month is bad enough without a four or five grand fee that's due eight weeks after they start.

RT: That's fairly unique, isn't it, within not just the MSP industry, but within the wider recruitment industry as well. Have you found that's a massive differentiator for you?

DW: Yeah, very much so. I believe that there are some niche areas of recruitment that do employ the same or a similar model, and one of the ways I've looked at delivering these services with a partner recruitment agency, effectively providing their recruitment consultants with the guidance on the type of person the MSPs are looking for; almost consulting with them to impart the knowledge and experience that I have, but using their expertise in the actual recruitment process.

The key barrier to working with partner recruitment consultants is they already get business where there's an upfront fee, so why would they take the risk? My view is that I'm actually growing the market because the MSPs that I work with at the moment, don't use recruiters for all of the reasons we've already mentioned and therefore they lose the advantage of being able to recruit people faster and with less impact to their own time and efficiency of the recruitment process.

The reason MSPs don't use recruiters is because the fee is the issue, as is the specialisation and knowledge of the candidates that the MSP requires. Those two combined means that the MSP will try and recruit themselves and unfortunately, self-recruiting can take a lot longer and potentially cost more money, subject to the success, and the lost or gained opportunity of having that extra person in the business sooner.

RT: Yeah. Let's dig a little bit deeper, and specifically on something that you picked up on there. Why would an MSP work with a recruitment agent rather than advertise directly? Is it purely about the time it takes? If I can roll another question into there, how do you, Daniel, attract good quality candidates to fulfil your clients' MSP roles?

The number one thing I hear from MSP saying is, 'We just don't get candidates of decent quality come through. I know there's a number of questions there, but I guess I'd summarise that by saying, you know, why would an MSP work with the recruitment agents instead of trying to hire directly?

DW: Time and cost really. It takes time to self-identify and reach a candidate. That can be via a number of methods - you can subscribe to job boards and access their CV libraries, you can look at competitors' websites, you can obviously use LinkedIn, but once you've identified who you want to talk to, you've then got to reach them.

That can take time, with numerous messages, phone calls, etc. I actually have a new-found appreciation for recruiters that I've worked with before, for the volume of activity that goes into presenting a CV for a potential candidate who's been properly vetted. And that that candidate has been introduced to the opportunity of working for that MSP as well.

The thing that you can forget quite easily here, being caught up in your own requirement of having an extra member of the team, is that the candidates are interviewing you as much as you're interviewing the candidate, and that process begins with first contact from the recruiter:

"I have this role and this is the opportunity and this is the location, the salary range, the type of work you'll be doing..." They're all questions that candidates will want to know and be engaged with, to help the chance of, of getting to an eventual placement.

RT: At the risk of talking yourself out of a job here, which I'm definitely not trying to do, but with your MSP hat on as well, what can MSPs be doing better to attract good candidates themselves directly?

DW: I think if the MSP is doing a better job generally, then that actually helps the recruiter as well. By talking about the MSP doing a good job, really it begins with the MSP's core values. It's about how they want to attract and develop the people within their business to the ultimate benefit of delivering a better service to their customers. and using all of that within their own marketing messages and how they present their business.

On the website for the MSP – do they talk about culture? Do they talk about core values and how that extends through into what they deliver? If they do, then they've probably evolved their thinking about who they want to hire and how they want to develop their people. What do they do in terms of supporting personal development around support for training, for example.

How do they support the people deal with the pressures of the role? Is there flexible working? Is there time off in lieu? Do they get paid overtime when they're involved in projects? All of those sorts of things.

Generally, happy people equals good service, therefore equals happy customers, equals growing MSP. Whatever the MSP can do to present a true representation of what it's going to be like being part of their business, that helps a recruiter from that very first conversation when they disclose who their client is and what the opportunity is for the candidate.

RT: That makes absolute sense. And the insight that you've given there - it's about marketing really, isn't it? If you're good at marketing your business, you attract good clients. But what many MSPs overlook is, if you're good at marketing your business and delivering good service, you will attract good people to want to work with you as well, so that's fantastic advice.

I want to talk about something specifically. We've talked a little bit about MSPs attracting the right type of people, what MSPs and maybe the wider IT industry is really failing at the moment, is attracting women to work in technology.

I recently interviewed Melissa Saar, she's a former MSP herself and she now works at IT Glue, an MSP vendor. I asked Melissa what it was like to be a woman working within the man's world of MSP. Melissa is a great success, but she's the exception to the rule. So, you're uniquely positioned to see both the employer and the employee side of the story. What can we as an industry do to encourage more women into the tech sector?

DW: That's a good question, and I would extend the topic to be diversity in the widest sense. I think it's positive messaging from apprenticeship level upwards and as an industry, I referred earlier to CompTIA, the best kept secret in the market.

CompTIA are championing initiatives around diversity overall, and in fact they have an initiative advancing women in technology. They're reaching out and delivering those messages.

Going back to marketing messages overall, it's about more messaging positively delivered and consistently delivered. It starts with youngsters at school thinking about what they want to do in terms of a career – STEM subjects and how those feed into wanting to work with computers, in IT.

As an industry, we're all responsible for attracting new people into the market, and all of our messaging has to be positive and open to attract the best talent, whatever their background.

RT: Wise words there. So, you've been doing this for a little while now. I'm going to put you on the spot if I may. What's the biggest frustration you experience as an MSP recruitment agency when working with MSP employers?

DW: What a great question! I think some of the key challenges I've found include urgency, decisiveness and salary expectations. I've had a lot of near misses, and more than I've had placements so far.

To be fair, some of those near misses in the early days, were down to me understanding my role in the process, not as a decision maker, which is of course what I had been before. Some are down to candidates' expectations not being met. I've had a number of incidences

where the client's got to a point with a candidate, they want to make an offer, but they don't, then the candidate has other opportunities they take instead.

The same extends to the momentum involved from day one of presentation of a CV. If it takes us a week to be able to go back to the candidate and give them some initial feedback, and then another week to arrange a phone call and two weeks to arrange a face to face interview, that's a whole world of time that's transpired.

I guess the same urgency should be applied as if you were courting a new customer and you wouldn't want to let too much time pass in that process, because other MSPs would be they're snapping at your heels and talking to your prospects in the intervening time.

Urgency, decisiveness and salary expectation are probably the things that restricts down the pool of available resources or candidates within the process. The natural tendency for an MSP is to want to pay the lowest possible salary, because that means more margins.

However, a lower salary also means a less satisfied employee, higher risk of leaving and it also means that when you're recruiting, and we've probably all, as MSP owners, had this situation where a valued member of the team, that's maybe been with us for a fair amount of time, their salary has increased, but hasn't necessarily kept pace with market conditions.

They get courted. they get offered another role, they come and handed in their notice and the MSP owner at that point counters, knowing that it will cost them X amount of time disruption, cash to replace them and it makes more sense just to pay them a little bit of extra money.

The problem is, that then take someone potentially undervalued to being overvalued, and then when they then move on, which they will at some point, their expectation is then that much higher. It's a dangerous cycle to counter-offer because for an industry effect, it's elevating the salaries.

Having a strategy that you know suits your MSP business, but also does the right thing in the industry is again, one of those balanced topics that consideration needs to be given to begin with, in terms of setting the right window that you know is affordable.

It should open up that talent that has been overpaid potentially at another MSP, but you value their experience nonetheless, and you've worked out that you can afford to pay that salary, maybe up to 20% more than your instinct tells you that you should be able to pay for that person.

RT: That makes sense. So, we're coming to the end of our time, but I can't resist asking that this point: If you could wave a magic wand, and based on the work that you've done in both the recruitment industry and the MSP industry, how would you want people to feel about recruitment agents going forward? I say magic, because if I said this was going to be an uphill struggle, I'd be being generous!

DW: I think so! I think probably recognising the value and respecting what recruiters do, just as an MSP will want to be able to demonstrate to their client the value in engaging with them

and following an appropriate process at an appropriate pace and then to, manage their clients, the same with any professional service.

Effectively, you are outsourcing the search and selection of talent into business. It's recognizing that there's a value there. Working with the recruiter, providing feedback so they can refine what it is they're proposing in terms of candidates, and openness throughout. The same principles you'd employ in any area of your business and in relationships with partners.

DW: I can't let you go without also acknowledging the fact that you've got a ton of experience with the MSP industry. Whilst you're focusing on the recruitment side of things at the moment, you do offer your experience with the commercial side of business to other MSPs. The things that spring to mind, I know you've done some work on mergers and acquisitions specifically, what have you worked on exciting lately?

DW: I'm excited by the level of opportunity out there overall. The MSP space is continually maturing and there's an acceleration, in my view, that will happen to consolidation within the marketplace, not least for the natural cycle of evolution.

There are people out there in their forties who started a business 20 years ago that today we call it an MSP, and today they want to be thinking about stepping back and retiring.

I think there's an awful lot of businesses at that level that will be looking to consolidate. The marketplace as a whole is so well served now, with tools and technologies, such as RMM and PSA, which were phrases we just didn't have even a few years ago.

The facilities to start an MSP business are there, and it's probably the best time we've ever had to start at MSP. I think there's lots of new shoots there as well, and the marketplace itself does lend itself to some of the disparate nature, because ultimately a lot of what we do is relationship-driven.

Individual business owners, teams, companies can only foster so many relationships, and therefore you'll end up with pockets of customers and MSPs, but there's so much opportunity in the marketplace.

Obviously, I can't tell you about any specific deals I've been working on, but there's a lot of activity and this could perhaps even be the topic for another TubbTalk around some of the considerations for selling a business. In a lot of ways, that's why many MSPs do start in business, as ultimately, they're working towards an exit.

They don't think about the exit until they're looking to walk out the door, which is of course the wrong time to do it, just as recruitment should be planned as far in advance as possible to improve your chances of getting the right opportunities at the right time.

RT: I definitely think there's another conversation. You and I are built and sold MSPs and are now helping other people to do the same thing, so I definitely think there's another conversation in there, but we'll save that for another day.

For now. If anybody wants to find you online, reach out to you to continue the conversation or to talk about recruitment specifically for their MSP, how would they get in touch with you?

DW: You'll find me on LinkedIn and you'll also find my website at www.wellingmlsp.com and you'll find me very approachable. I'm happy to share my experiences and I've got an opinion on most things which I'm always happy to share as well.

I look forward to carrying on the conversation with some of the listeners from today and ultimately helping their MSP businesses grow and to do the right thing with supporting the industry as a whole.

RT: I don't think there's going to be a single listener to this podcast, as an MSP, who hasn't got some sort of recruitment challenge. So, I would encourage you, reach out to Daniel, get in touch, see if you can get an alternative perspective.

One thing I think is clear from this interview is that Daniel isn't like recruitment agents that you've worked with in the past. He is a former MSP, knows what he's talking about and has got the MSP industry's best interests at heart.

Thanks for coming on and sharing what for me has been absolutely fascinating insight into the recruitment world, and your own experience in the MSP industry. Wish you all the best with it. Thanks for joining us and we'll look forward to speaking to you next time.