



Richard: Hello everyone. I'm joined today by Tim Brewer from Evolve Leadership. How are you doing Tim?

Tim: I'm doing very well. Thank you.

Richard: Well, it's a real pleasure to sit down with you. I heard your name mentioned in very respectful and revered for a number of years in the MSP industry. For anybody who's not aware of you, perhaps you could tell us a little bit about who you are and what Evolve does.

Tim: I'll get to Evolve and a little bit about my background. I hail from Perth, Australia which is the west coast of Australia. So I grew up in a place of a very laid back city, very much like San Diego in the USA, I guess if you're from the USA. If you're from England, a lot of people emigrate from England to Perth so you're probably familiar with Perth as well.

I grew up in community services actually and a friend of mine ran an IT company and I was fortunate enough to invite me to become part of that. In time, I ended up becoming a partner and a co-owner of the business. It ended up growing for a series of years. Some by chance, we made a lot of errors along the way. We learned a lot of stuff. We're really good with collaborating with other people. We weren't afraid to sit down with our competitors in our marketplace or perceived competitors. We weren't really. We learned how to do this managed services things better, this concept of managed services started coming out back in the day.

We grew, grew and grew. And in 2010 we ended up selling to a public real estate company. At the time we had about 50 staff in MSP. It was going very well. We were having a great time. I ended up working in that new company for three years. A year ago, we finished up with them as the operations director and spend the whole year living in the USA.

I got to achieve two great things in the USA. One was to offload all my knowledge within the industry both speaking and assisting a number of different countries around the US in the managed services space.

The second thing I did was I want to explore what I wanted life to look like for me going in the next stage of life. I'm just 36-37 years of age. I'm still fairly young and have a whole work life ahead of me.

I worked up both things while I was in the US. This year I'm back in Perth and I'm part of the Evolve leadership group, one of the directors with that company are best friend of mine. We do consulting and speaking in the managed service space but we also focus on governance and strategy and innovation, executive leader performance and business realization on where you want your business to go and what you do once you get there.

These are the things that we focus on helping businesses all over the globe both here in the USA and in Australia across diverse set of industries.

But on top of that as well, I have this portfolio of other interests companies like DeskDirector which is a great client experience platform, customizable innovative platform in the managed services space. I'm also director on a marketing company in Perth, Australia. I'm the director of managed services firm here in the US. I still get to speak to a lot of different places like Chartec and others when I get the chance.

Speaking is one of those things that you know that comes by invite so I try not to take it for granted. That's a great privilege.

I've got a couple of other conversations going around the places as well. I end up with a portfolio of great people I'm working with, doing great things making a great difference. I think that's where I'll find my next number of years of work happiness.

Richard: So you're going through the post-MSP stage.

Tim: Yes.

Richard: Like myself I guess. You said you took that year in America to find where you're going. How did you arrive at the decision of what you wanted to do? Clearly you've got a lot of things going on. How did you arrive? How did you get to focus to decide, yeah these are the things I want to do going forward?

Tim: I'm not sure if you and I have talked about this before but I know I talked about it when I speak. I'm like a really simple forgetful guy. I tend borrow things down just you know, a couple of points. What I discovered about myself last year or what I end up discovering in just a handful of points what is it that makes me happy and leaves me intrinsically motivated when I'm doing what I'm doing.

I discovered three things about myself. The first was I'm a better owner than I am an employee. Doesn't mean I have to own the whole business, not at all. But it means I need to have a builder's view when I'm doing what I'm doing whether not for profit or for profit. That help me understand kind of, I don't want to go back into a C-level executive position for someone else. I want to be part of building something cool, something unique.

The second thing is that I didn't have to be the main leader. I try to be a great – as I call you the ultimate business wingman. I just try to be a great business wingman for other people and a great partner in business. I'm constantly learning so I'm not saying I've got that right yet. If I get that right, I love coming alongside other people and help making them successful.

My experience consulting is that you're consulting to aiding 20 people at the same time. It's a lot of stuff to have on your plate. I'm really looking came into the view to have a small handful of things that I'm involved in that I can be a great business wingman with the people involved. I guess I'm on that journey to find that small handful of audience. I suggest probably this year I'm at planning to have that list of things sorted out.

In my spare time, I still get to get consult having the consulting business. That tends to be focused pretty around managed services space companies with 50-400 staff which we ended kind of my sweet spot, I guess in the industry. It's the same way to use, I still get to spend time in businesses in MSPs looking at

the spaces that are still there, problems that are still there to solve and the opportunity that they have maybe in the future.

Richard: Give an example, a typical engagement will look like for you. I'm going to guess it's a long term engagement and quite a deep engagement as well. What types of companies, what problems they approach you with once they need help with typically?

Tim: Yeah. Absolutely. I've done a number of different engagements over time. We tend to high energy, short burst engagements that then last over a period. That normally looks like 1-4 days onsite. Basically I really could ask tons of questions and turning over a ton of rocks and working out quickly what's running well. I give that feedback, okay you're running best in class, best in industry in this area of business. And then working out which areas of the business needs focus and needs energy and helping the owner of that business work how to apply that energy in that spot.

What we have worked out actually, we have like a spot/bootcamp/strategy sessions that we run. Its two days long with two consultants me and another one in the Evolve Leadership Consultants. We tend to go in and in that time work with all of the staff. We do a lot of pre-work. It's called a due diligence and we have people comment that it feels like you're purchasing my business. The depth of due diligence that we do before doing that engagement. We survey the staff, we survey their board and work with the staff and the leadership and the board to put down a strategy plan for a set period of time normally one to five years. Once that's laid down we work at helping them stay accountable to achieving those calls. We just found that that works best.

That said as you pointed out, we got plenty of staff in our plate. We normally spend a lot of time working with people to make sure that it's the right fit for them.

There's a lot of great consultants that run a lot of training programs. If someone comes to us and says, "We got a real need in the area of sales," for example. They have great planning as an organization, a great board and great operational excellence but just needs help with sales. We much prefer putting them in touch with someone to fill that specialization rather than just rather plug every hole in the organization. We try to learn to stick to our only thing, do what we do really well. And then where we can add and create an amount of value, we will consider and engagement.

Richard: It's the same with myself. Stick to what you're good at and deliver very high quality service than surround yourself with people who are a lot better than you in terms of the other stuff.

Tim: Absolutely.

Richard: It's interesting. I observed most of the very, very successful people in our industry and any industry for that matter yourself included, seem to have the ability to say 'no' frequently to opportunities. How do you go about saying 'no' to really good stuff that comes along just because you think, "I'm going to get pulled into too many directions at once."?

Tim: For most of the people listening to the podcast, I'm guess they're still running and manage service business. We don't want to get too caught up in the handful of us that are post-MSP. It's the same as saying 'no' to a client. And it's really difficult when you got someone saying, "Hey, I want to pay you to look after our equipment," to realize that they might not be a good fit for your business.

That really starts in my view theoretically understanding your client's preferences and not all revenues is good revenue. My strategy at saying 'no' to people is to actually not say 'no'. The way we do that is actually not offering them services until we're convinced that they're the right fit for us as a client.

By that I mean, I was actually on the phone with my business partner. He actually sits on the board with a massive manage service company out of Las Vegas. The CEO called me the other and said, "Hey Tim. I've been thinking about this whole marketplace fit," that was part of their strategy document. "What does that mean? What are the key things that I need to consider that I need working at? What clients are right for us and what clients should we avoid?" He might know that but he can't articulate that then all the salespeople are going to keep selling to the wrong people. I said, "Well, let's look at a few things that might matter. We basically came down to this," if someone doesn't pay their bills on time. In fact, do you look in your finance system as a current client and they're always 60 days late at paying. That's the average. They're terribly late payers and you always find them wasting horrendous amount of time doing that. He need to work out what things or what attributes will cause us to see that coming before they are a client of us? Sometimes it's just a simple questions like asking, "What's the methodology for paying your bills."

We all have clients that we did the other day, they paid us before we left their site that afternoon. I'm like, "Oh my goodness. We have seven day terms. They can pay us in seven days." They're like, "No. We like paying when the job is done." I'm like, "That client will keep me." I'm happy to have deeper engagement with them. The other clients not so much. Respect. And if respect is a big thing for you as a company, working out whether or not someone is respectful and they're respectful to their staff, their team.

We all have MSP clients that call us and abuse them. My argument should be well, respect to something that you don't want as a client.

Long story short, we have a bunch of those criteria and we go through a series of interviews before we even offer services. Notice my language, we offer services to our clients. My catch would be to MSP is you're not on the market. You're not on a shop. You don't sell products on a wall. You're a consultant service. You're a professional service. Good professional service companies offer services to the clients that will value their service and value them. Until you establish that a client is that client, my suggestion is you should not offer them services.

In that respect, you don't really have to say 'no' to them. All you're going to have is someone saying, "Hey, this isn't the right timing for us to engage you. We chose to engage to someone else." I'd rather that happen than offer services to everyone sundry and be in a position where we can't meet the level of promises we want to make to all those people and end up with a bad brand.

The other day your brand is your brand. If you accept a client and they have rubbish equipment and it all fails when you take in the job, your brand is on the line. If they got some radical expectation or decide to go bad mouth you to everyone because you're disrespectful, then that's your brand on the line.

You got to do the right thing by your staff and the right thing by your shareholders and the right thing by your other clients by accepting people that fit your brand.

Richard: That's wonderfully put. The other things that are on your plate, you mentioned DeskDirector. I had a wonderful conversation for a podcast with Phill Claxton.

Tim: Amazing guy.

Richard: I talked to Phill all day. How does DeskDirector fit into how much time you spend with DeskDirector and what are your aspirations for DeskDirector as a company?

Tim: Me personally, I spend a day a week on average over the year on at DeskDirector. It's in bursts. We're in a conference for the entire week. When I was leaving Anittel I got a call from our workers – let's call him the inventor of DeskDirector. He's running a great MSP in Auckland, New Zealand. They had this product they developed to improve the client experience. I really grated on them that with all the tools that they have, all the focus on tickets or invoices unlike their PSA tools or RMM tools that were very focused on the device or the service, they don't really have a tool focused on the people that they look after

and people accept checks and people accept contracts and so they went about trying to solve that problem.

DeskDirector is focused on client experience full stop. They do that through a number of different methods and I'd leave that up to the team and deskdirector.com if you want to go and have a look at that.

Our aspirations for that product is just to create a whole new way of helping manage service companies be unique, provide an outstanding client experience and increase the value that they provide to their clients and in doing so win more business, be more efficient and increase client loyalty from their clients. That's our aspirations.

Phil is the main guy there at DeskDirector. He's doing an amazing job. He's just a complete legend. He comes out of manage services. In fact, all three of us come out of manage service industry. We're just having great fun continuing learning, getting a lot to learn about software, marketing, strategic business development, all these things that I didn't do a huge amount of back in the manage services days. We're just having a great time doing it. It keeps me, if I was being honest with you, it keeps me with the manage services community. Even though it's not my full time thing, it's a real privilege to come out meet people at conferences again and geek out on IT services and manage services and it helps me get in touch with that. I haven't obviously been in the industry for years, have a great affinity with that. I'm really glad that this isn't something that I continue keep that connection with such great industry.

Richard: While you were out there at conferences talking to MSPs and working with MSPs, what are the prevailing trends or challenges you're seeing for MSPs and where are people going with that business? What are things that people should be aware of?

Tim: That's a fantastic question. People ask me that all the time. I kind of have a few caveat on my response by saying I think that my knowledge has a half-life and I think it's about nine months. Technically, now I've been out of the managed service industry and running a company, I may have no current knowledge left. But I have a share of what I noticed.

I definitely think that the shift to Cloud is a real interesting one. The result and impact of dealing with – let's talk about our journey as IT service providers growing up. We use to sell products. Everyone was making 50% off a PC and you'd sell a piece of hardware and we call that product transactions. You receive one invoice from your supplier, say Ingram Micro. You receive one invoice from your supplier and you send a device at to a client. You check that

you got the right invoice and pay the right amount. If there's a right margin and you reconcile.

That's how we all grew up. Heavy on the hardware. One day we woke up, "You know what, it's really not going to work. We need to find a better way of making money. Margins are reducing." So we go into services and we started providing block hours or project work. Then, we started providing labour. And over time there was no systems to run. We're running tickets in Microsoft Outlook. We were just having a heck of time and didn't know what average hourly rate was and all these things.

Then, one day someone came out with the ticketing platform ahead of time and we were like, "Oh my goodness, this is ground breaking stuff." There's always complexity that came with that shift going from product to labour and then to managed services.

What I think my experience at Anittel taught me running all of the data centre infrastructure and online services group, is that going from labour and if you thought that was complex offering a fixed fee for a variable amount of time, wait until you do with bundled Cloud services where you're getting multiple transactions line items comes through for every offering. Let's talk about hosted machine and you're getting charged per hour per amount of processing, per hour per amount of storage, per hour per amount of memory on a flexible basis and then you have to repackage them and bill that to someone. This is now no longer two points of variation in labour or one point of variation in product. You have hundreds and hundreds of items that need to be rated, re-rated and invoiced and billed out to a client. And if you bundled that as a fixed price service, it's a huge amount of complexity.

I think there's a number of things like that under the surface that are getting far more complex and no one's really come out and solve the level of complexity that we need solved to scale.

I might notice that because we're a very big company that we have a \$12 million Cloud services business but I meet people at a time and ask them that question. I'm trying to check it in a spread sheet or I just can't track it and just look at the end of the day and see in and out and make sure I'm making enough margin. I think that as we see the managed services tools improve, we're going to see them give us greater capacity to manage those complex transactions maybe like the insurance industry do today. They are a lot more mature in that area.

I think that's definitely one of the areas to watch, it's the complexity created by Cloud. I have not seen anything ultra-compelling yet to solve that problem. That's probably the biggest area. Other people are solving the problem. That's the challenge. The really big providers are spending millions and millions of

dollars on high end transaction billing systems, re-rating rating systems like Telco's traditionally do.

The scary thing for me is look my hope is someone in our industry solves that problem so that one, two person MSPs can still sell those services and sell them easily without the admin overhead and pain. That's one of the biggest areas I see as a need.

Richard: It's a huge challenge, isn't it? If you look at Microsoft with Office 365 for many years. We know for a fact that Microsoft sold it directly. My feeling is a lot of the reason why Microsoft did that was not to carve up their partner program at all. They didn't really want to do that. It was the complexity of allowing MSPs to bill. If a big company like Microsoft struggle with it, you can imagine smaller MSPs where they're going to find that a challenge.

Tim: There's actually three parts. Since we're on record I think it's worth mentioning all three parts. Maybe there's someone out there that's going to solve this problem currently. You have the billing complexity in which we call that transaction billing or services billing. We have a product and we went to labour and narrow this line of services. Services billing has got to be solved. There's up two other really important things that happen around that billing and that's provisioning and de-provisioning or spinning up and spinning down services.

Same thing if 365 guys are loading into the portal, they're creating the service, configuring the service in the active directory. In the ideal environment, we don't go and order from over the phone anymore a piece of hardware. We transact with our online systems possibly automatically when using a coding platform.

But if you're trying to go from a quote to a sales order and your sales order has some hardware, some labour services and some Cloud services on it and you're wanting all that to be purchased or provisioned automatically or maybe some other services to be de-provisioned or used accounts increased. To get that automated is really where we need to end up so the guys aren't sitting there manually configuring zero infrastructure and manually configuring Office 365. That should have start to spin up immediately following a quote going out. That's the challenge is to be able to create that level of simplicity for our industry. I think we can get to that and the platforms that are out there can see past their own platform and understand that there's this bigger problems that they have to work together in the industry to solve.

No one player is going to go and solve that. It's about collaborating and working across the industry to do that. Because we don't, there will be other industries that are innovators and we need to make sure we protect all these guys out

there running managed services firms. We need to make sure it's a long and successful industry to be in.

There are some serious innovations that need to go in and around that.

Richard: Absolutely. So we're approaching the end of our time together. For you, what's next on the horizon? What exciting projects are you working on?

Tim: What exciting projects? I've got a number of different things at the moment. I've got a really interesting project in Perth, Australia in a company called Red Meets Blue. The CEO of that company asked me in their board and invest there. The CEO of that company has just written a book called Building Great Brands. He's basically in the process of working on taking his project based branding agency to a managed services model. I think that's really fascinating like applying our learnings from this industry into another industry like marketing. I'm having a great time there. That's been really fun.

I'm also working, I can't disclose who is, he's also another incredible education focused software and service company that I'm working somewhere around the world. They're just doing amazing things. You know the greatest, we talked before about what we learned, taking a break and reflecting on what we done the day? The first thing is leaving everyone with some thoughts about this webinar will be work with great people. I think in this particular education start, I met some really great people. I really am very – have become a lot more acutely aware that if you choose to work with the wrong people, life gets unhappy fast.

The second thing is do stuff that's intrinsically motivating. I think education as an entire industry not just as we know it in schools in the western communities but think about education across the globe for people that aren't as fortunate as you are that even went to secondary school or tertiary college or university or college. I think education is ripe for innovation and for re-imagining. I'm seeing some of that happen in the discussions that I'm having in that industry and I find it so motivating and probably one of the coolest things in that pool of things that I'm doing around that education space. I can't wait to see what happens there.

For all of your listening, make sure you work with people that don't make your timely turn and you love working with and do stuff that's intrinsically motivates you. If you do that, you wake up every morning and you'll be out of work way into the night doing what you do if you can keep that intrinsic motivation.

Richard: Fantastic advice. Tim, I can talk to you all day about stuff. We only just scratched the surface of things. You shared so much wisdom in a really short period of time. I really appreciate it.

If there are any good people out there who want to get in touch with you perhaps about speaking or consultancy, how will they reach out to you?

Tim: I do have so many different ways. The easiest way to do it is go to www.timbrewer.com.au and there's a spot there to get in contact with me. I spend my time on so many different things, it's hard to give you – I know that will get through to me and that will get through to me efficiently. I try to spend time where I can to catch up with people at least once. I love learning from other industries and from people in their industry. It will be the best way timbrewer.com.au

Richard: Fantastic. Well, Tim really appreciate your time and I hope we can have you come back and talk about some of those other subjects that we touched on in the future.

Tim: Richard, it's been great catching up. So good to finally meet you in person after so many Skype calls. People are talking about you in the industry, it's a really great privilege. Thanks for your time.