5 Ways MSPs drive clients away (and what you can do about it)

By Jim Barnet

As an MSP you're well aware that in these competitive times some managed services are becoming commoditized, making it easier for clients to move their IT Support/Services to your competitors. When I meet with MSPs I often ask, *"What is your key differentiator – what sets you apart from your competition*?

Most will cite customer satisfaction as a critical value-add. And yet, when we dig a little deeper, they will often admit that they still have a churn issue. Some customer attrition can't be helped, but there are a few common mistakes that MSPs make that are serious enough to cause clients to change providers.

1. Unscheduled downtime

Downtime is expensive. According to research by analyst firm HIS, a mid-sized company loses about $1 million dollars a year when networks or applications are not available.

> *Our research found that the cost of ICT downtime is substantial, from $1 million a year for a typical mid-size company to over $60 million for a large enterprise,"* Matthias Machowinski, Research Director for Enterprise Networks and Video at HIS.[i]

Because the losses impact productivity and revenue rather than the actual dollar cost to fix the problem, some MSPs don't always consider the real impact of a network outage.

Employee behavior is often to blame. Downtime culprits include phishing and cybersecurity challenges. Employees who are unaware of the impact of their actions can not only crash a network, but also they can open a door for hackers to steal valuable data. And while employee behavior is not the responsibility of the MSP, it does provide an opportunity for a new value-added service.

A good MSP will offer services that alert clients *before* things go awry.

New service offerings can include monitoring and cybersecurity training for a client's employees; a valued addition that can strengthen the relationship between the MSP and the client. This builds a deeper level of trust, adding a new revenue stream and increasing the likelihood of customer retention.

2. Poor Help Desk/Managed Services/CRM tools

When an MSP does what it says by following through, it proves to be acting in the client's best interest. That means providing a dedicated team of support reps who know each client's unique requirements, needs and history.

If every time a client calls Support they have to explain intimate knowledge of the business and every recent support activity that has already taken place, then that client will believe that the MSP...
>   a) Doesn't care about the client
>   b) Doesn't have its act together
>   c) Has a problem with support staff turnover

The client won't care if the answer is a), b) or c)... the client will start asking colleagues to refer other MSPs.

Making an investment in great Help Desk/CRM/business software tools that track history, alerts, contract terms and other important information enables the MSP to remain at the top of its game.

3. Support calls morph into Sales calls for a la carte services

Good MSPs know exactly what other IT services are connected to an account, and they assume responsibility when things go wrong – regardless of who's at fault.

An MSP who blames others will have a client thinking about shopping for a new MSP.

An MSP who blames the client for not buying what is necessary will get that client actively shopping for a new MSP.

If a support rep told you, "Sorry. Had you bought X from us instead of Y from elsewhere, we could help you," how would you react?

Internal monitoring, regular employee training and good Managed Services business software ensure your staff knows what...
a) Services are covered
b) Your customer service policies/SLA commitments are
c) Has been discussed with the customer previously.

That information helps your teams handle every situation appropriately.

4. Inability to prove value

A client may change MSPs for several reasons, but the two most common are when the...

1) MSP is doing such a great job that nothing bad ever happens, but they aren't providing adequate visibility/reporting to the client of all the bad things they prevented. 2) Customer thinks their current provider isn't in tune or lacks the ability to keep up with their future direction and growth.

That's because the MSP has not paid attention to the client's desire to continuously evolve. An MSP that's paying attention will know when it's time to propose innovative solutions that drive the client's business forward.

The monthly fee your client pays is expensive only when they see it as a business cost.

To defeat that accounting line item, show how much you've saved them through increasing productivity and removing business pain. Done correctly, you can prove that your monthly fee is a great deal for them.

Your ability to track and report back to your client on a regular basis reassures them that they are working with an MSP who is not only delivering great service, but also can demonstrate exactly what that service is.

5. Important data not recoverable

An MSP is in trouble when a client needs data that the MSP can't recover. It doesn't matter if the issue is due to incompatible systems, or the previous IT team deliberately left out a step, or a user unintentionally deleted the only good copy.

Blaming others makes the MSP look impotent and unprofessional. MSPs back up data – always and in all ways necessary to ensure smooth restoration after an incident.

MSPs are responsible for not only backing up the client's data, but also testing restoration regularly. Do not be surprised when a client whose data cannot be recovered moves to a competitor.

 To stay competitive MSPs need to be at the top of their games. Make sure your current business software doesn't put you in the position of bringing a knife to a gun fight. PSA business software can help you address most of the items mentioned above.

Know what's available today by getting the PSA Software Buyer's Guide.

i https://technology.ihs.com/572369/businesses-losing-700-billion-a-year-to-it-downtime-says-ihs