

The Value of Strategic Bundling

Build Cloud Bundles that Help You Sell

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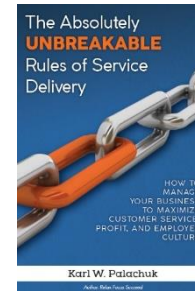
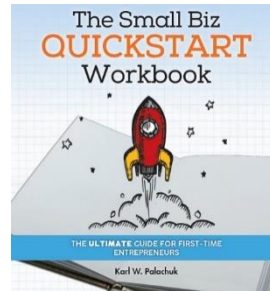
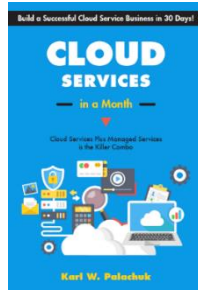
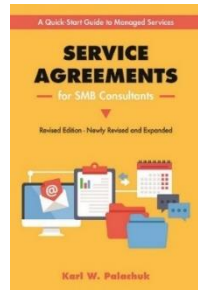
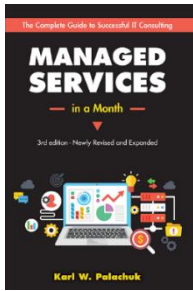
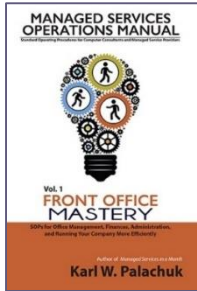
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Karl W. Palachuk

- Built and sold two successful MSP businesses
- Author, Blogger, Podcaster, Speaker
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- “Karl Palachuk” on Wikipedia

“The future is already here . . .

It’s just not widely distributed.”

(William Gibson)



Client Understanding

Some Insurance Terminology

- Actual cash value (ACV)
- Agreed value policy
- Appraisal
- Alterations coverage
- Cancellation
- Claimant
- Comprehensive
- Declarations
- Deductible
- Endorsement
- Exclusion
- FR-44/SR-22
- Hazard
- Indemnification
- Insurable interest
- Liability
- Loss assessment
- Mitigation
- Peril
- Policyholder
- Protective devices
- Replacement cost
- Scheduled Personal Property
- Supplemental
- Umbrella
- Uninsured
- Underinsured
- Valuables

Your Bundle is Your Sales Tool!

- Client must believe they understand 100% of it!
- Must be client-focused
- Solve their problems
- Address their pain

***Value is always
Defined by the Client!***

How simple is your invoice?

Invoice

Managed Services ...
\$2,500

Total \$2,500

Good

Invoice

IT Maintenance ...	\$400
M365 Licenses ...	\$600
Spam filtering ...	\$200
Storage ...	\$400
Anti-Virus ...	\$200
Backup / DR ...	\$550
Email Archiving ...	\$150
Total	\$2,500

Not so Good

There's no such thing as a confused buyer

- If they're confused . . .

They won't buy!



Today's Challenge:

- Build Awesome Cloud Service Bundles to Make More Sales and Generate Maximum Profits
 - Cloud Service Bundles
 - Make More Sales
 - Maximum Profits



Why Bundle?

- Everyone likes them (really)
- Good bundles are client-focused
- Everyone likes to shop /
No one likes to be “sold”
- Gartner:
You can expect about a 5X multiplier
when you add services to licenses



Microsoft Inspire 2020: CEO Satya Nadella

<https://www.youtube.com/watch?v=B55vicIEWLc>

What is a Bundle?

- NOT a cafeteria plan
- Put it all together:
 - Web Site
 - RMM
 - AV
 - Storage
 - Email boxes
 - MS Office
 - Teams

<u>Cloud Services</u> "5 Packs"	<u>5 Pack</u> <u>Business in</u> <u>a Box</u>	<u>5 Pack</u> <u>With</u> <u>Managed</u> <u>Service</u>
Managed Storage Space Up To . . .	250 GB	250 GB
Microsoft Exchange Mailboxes	Up to 5	Up to 5
Hosted Web Site – Windows or Unix	Included	Included
User PC Remote Monitoring	Up to 5	Up to 5
Patch Management (apply all critical patches)	Included	Included
User PC Virus Scanning	Up to 5	Up to 5
User Email Spam Filtering	Up to 5	Up to 5
Microsoft Office NEW (Outlook, Word, Excel, PowerPoint, Publisher, OneNote Access if needed)	Up to 5	Up to 5
Email Archiving and Web Access NEW	Up to 5	Up to 5

Strategic Bundling: Rule #1

Create a core bundle offering

- . . . That you can sell to every single client
- Don't worry:
You can sell anything else you need to on top of that

Strategic Bundling: Rule #2

Design the bundle so clients choose the top bundle

- Do not create three distinct value propositions
- In other words, there are only two real choices among your three levels

Good	Better	Best
\$999 /mo	\$2,499 /mo	\$2,999 /mo
12 Month Commitment	Easy 1-time payment for 12-months access	Easy 1-time payment for 12-months access
Unlimited access to the Resource Library	Unlimited access to the Resource Library	Unlimited access to the Resource Library
Monthly Recorded Member Calls	Monthly Recorded Member Calls	Monthly Recorded Member Calls
80+ live pass to all classes at Great Little Seminar	Free, all-access pass to classes at Great Little Seminar	Free, all-access pass to all classes at Great Little Seminar
Ongoing discounts to Small Biz Thoughts events	Ongoing discounts to Small Biz Thoughts events and more	Ongoing discounts to Small Biz Thoughts events
1 Individual Login	1 Individual Login	Up to 10 separate logins for your team
Buy Now	Buy Now	Buy Now

Strategic Bundling: Rule #3

Value is always determined by the client

- Break the “Cost + Margin” mindset
- e.g., If service was worth \$1,000 when you did everything manually, it is still worth \$1,000 when you do it with automation



Bundles are Magic

- You sell more with the same effort
- Clients feel like it's all about them
- Low resistance
- AND you get to include everything you think they need – even if they don't understand why



Bundle Magic: The Price

- Average cost to deliver a bundle with 100% usage: \$50
- (Profit = about 75%)
- Cheap enough that it's hard for clients to say no!

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Bundle Magic: Unused Licenses

You sell . . .

- Up to 5 licenses
- You buy only what you need to deploy
- 20% of client will use all license;
80% will use fewer licenses

<u>Cloud Services</u> "5 Packs"		<u>5 Pack</u>	<u>Business in a Box</u>	<u>5 Pack With Managed Service</u>
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The Challenges of the 2020's

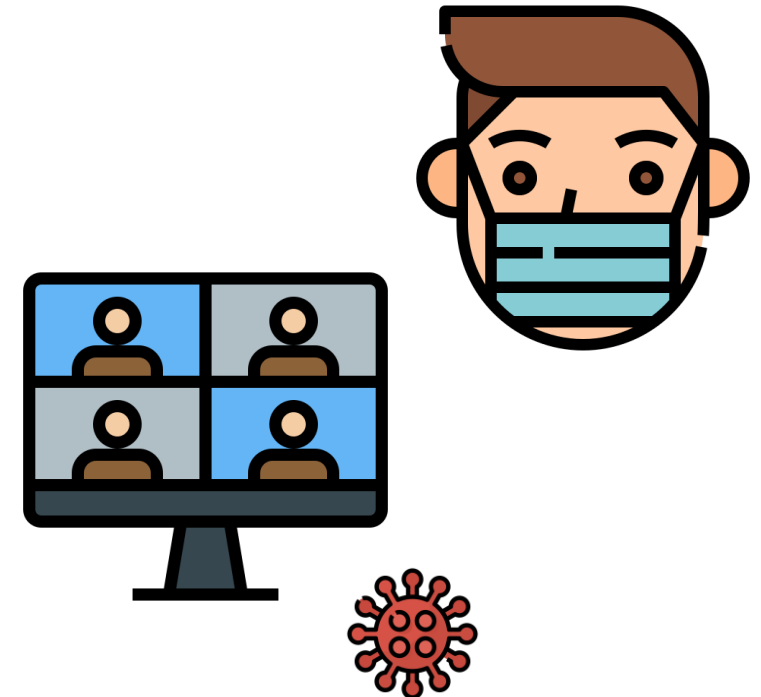
- Your team
- Client's team
 - Government regulations
 - Compliance agencies
 - Ransomware attackers
 - Insurance
 - Must be secure by design



You can no longer sell
“Half” the solution!

Opportunities of the 2020's

- Two years of business transformation in two months this year
 - Satya Nadella, Microsoft Inspire
- Secure Remote Work
- Faster acceptance
- Broader acceptance
- “Technical Intensity”



A Few Sales Notes

- Don't have both sides of the conversation !!!
- Don't break up the bundle
- Sell this as your “core technology” to everyone
 - Add everything else on top of this



STOP Worrying That Clients Will Do This Themselves . . .

Your Mission:

- 1) Provide the Same Services and
Functionality
- 2) Break the Mindset of Single Server
In-House

- Active Directory / Azure AD
- Backup / BDR
- DHCP
- DNS (in-house) (internet)
- Domain Control
- Email / Exchange
- Firewall
- Line of Business (LOB)
- Onsite Backup
- RWW
- SharePoint
- Second Server
- SQL Database(s)
- Storage (Files)
- Teams
- Terminal Server / Application
- Virus Protection
- VPN (if needed)
- WWW
- . . . etc.

Getting Going . . .

Overview:

- Sign up to sell Hosted O365 – and other services
- Sign up to sell hosted storage or hosted backup
- Eat your own dog food
 - Set up hosted email and storage for yourself
- Develop your documentation for these services
- **Sell your cloud bundle!**

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. . . and of course . . .

**Nothing Happens
by Itself**

General Announcements

- We are hosting another webinar with Karl in August! Invites coming soon.
- MPN Consultations – Have you heard?

Virtual Events:

- CompTIA's ChannelCon: August 4th-6th
- The Channel Co.'s xChange+: August 18th-20th

Questions?

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doesn't mean you have to go it alone.