

# DEFINITIVE GUIDE TO SALES

*How MSPs Build  
Outperforming  
Sales Teams*



liongard

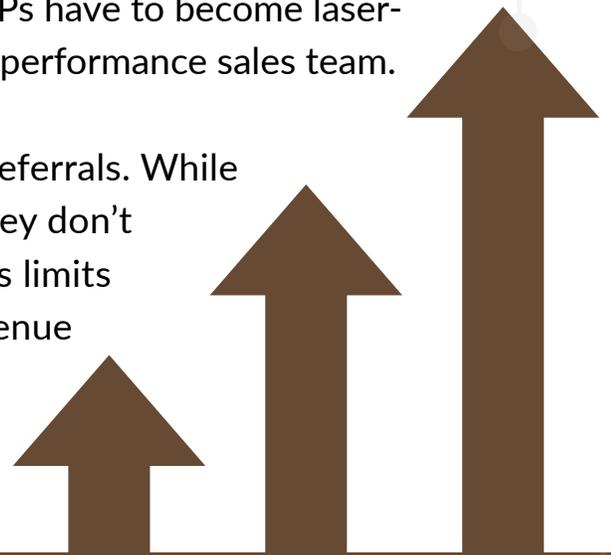
# CONTENTS

This ebook covers everything from business planning to client retention. Read it from cover to cover or jump to what interests you by [clicking below](#).

# GET BEYOND REFERRALS TO GROW YOUR BUSINESS AT SCALE

Owners of early stage MSPs often wait too long before hiring a sales team, resulting in stalled growth or a stressed-to-the-limit CEO. To get serious about growth, MSPs have to become laser-focused on improving their sales and building a performance sales team.

Many MSPs still rely too heavily on customer referrals. While referrals are the easiest sales deals to close, they don't come in every day. Waiting for organic referrals limits your ability to forecast and achieve steady revenue growth. By becoming a more proactive sales organization, MSPs can scale up quickly.



In this definitive guide, several sales experts in the managed services industry, including Liongard's Chief Revenue Officer, Adam Slutskin, share their best advice about how to:

- Crank up the revenue growth engine
- Create a well-designed, intentional sales process
- Build a high performance sales team of BDRs, New Reps, and Account Managers
- Motivate and encourage your team to close more business
- Design compensation plans that make your business and your sales reps rich

# Before You Hire, Ask These Questions

**Your initial sales hires should be very strategic.** Ask yourself these questions to understand your objectives before creating a hiring plan to match your sales forecast.

## 1. What are you trying to accomplish?

Do you want to free up your time by shifting the sales role? Build incremental growth?

## 2. How will you define sales success?

How much growth are you targeting in your sales forecast?

## 3. What do you want the new sales rep to do?

Should they make cold calls all day? Upsell into your existing base? Do you expect them to bring an existing book of business?



## BUILDING A SALES TEAM

### 4. How will you manage sales? What system(s) will you use?

You will need visibility into your sales process—not just a summary of wins, but visibility into all of the activities that lead to new revenue. MSPs usually track activities and results in a PSA or CRM.

### 5. What geography do you want to focus on?

Do you have a nationwide industry niche or prefer general sales in your local or state area?

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### *Lessons from High Performance Sales Teams*

I know about going from average to world-class, or **unprofitable to profitable to very profitable**. That maturity takes time. Along the journey, if you don't have your act together as an MSP or you're not charging the right price, you're giving up dollars to invest in your own house, which creates more risk for your clients, not less.

– George Mach, President & CEO, Apex IT Group

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# The Three Roles in a High Performance Sales Team

**It's important to understand the differences** between sales roles and the personality traits each role needs to possess in order to be successful.

## The Scout: Business Development Rep (BDR)

- **Primary Objective:** Keep New Sales Reps busy
- **Daily Activities:** Heavy outbound calling (75 outbound calls per day)

BDRs relentlessly work the phones searching for new leads and qualifying inbound marketing leads to set appointments for New Sales Reps.



## The Hunter: New Sales Rep

- **Primary Objective:** Grow MRR through net new sales
- **Daily Activities:** Virtual and onsite meetings with qualified prospects

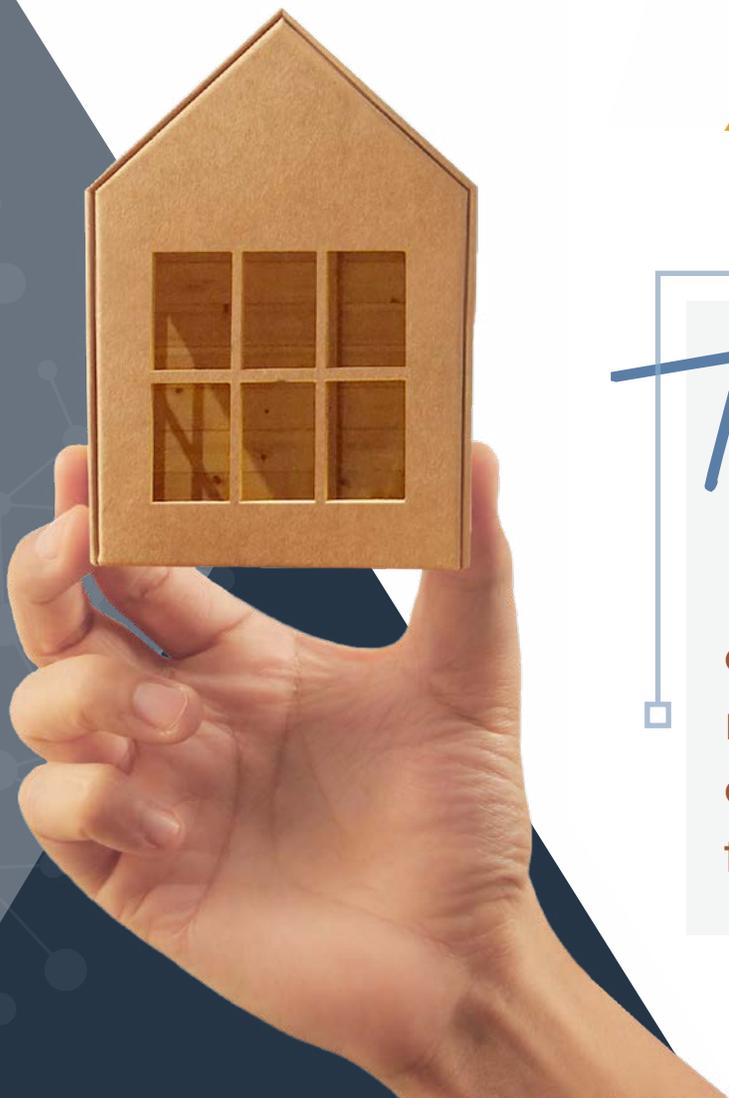
New Sales Reps are charismatic and empathetic towards customers. They're persuasive and persistent with enough resilience to stay motivated even when 9 out of 10 prospects say no.



## The Farmer: Account Manager

- **Primary Objective:** Nurture client relationships to maximize lifetime value
- **Daily Activities:** Email, telephone, and onsite communications

Account Managers keep a regular cadence of communications with existing clients and contribute to revenue by minimizing churn and selling additional services.



**Tip** Instead of outsourcing lead qualification, hire an in-house BDR. You'll control lead quality, save money, and have the opportunity to develop a future New Sales Rep.

**BUILDING A SALES PROCESS**

# The Ideal Marketing & Sales Process

**LEADS**

Import local database,  
Outsource Marketing,  
Website (content)

**BDR**

Quality leads,  
Disqualify leads,  
Clean database,  
Remarketing,  
Transition to New Rep

**NEW SALES**

Identify Pain Points,  
Demo,  
Win Business,  
Lose Business,  
Goes Dark (Pass back)

**ACCT MGMT**

Methodical Contact,  
Great Client Experience,  
Identify new revenue opps

## The Sales Conveyor Belt

Think of marketing and sales as a conveyor belt designed to continually perform the following tasks:

- Generate outbound and inbound leads
- Pass qualified leads to sales
- Remarket and nurture cold leads
- Identify prospects' pain points
- Recommend solutions
- Create proposals
- Win deals
- Onboard new clients
- Manage client experience

### **Lessons from High Performance Sales Teams**

This isn't an overnight thing, there's no silver bullet, and it takes a relentless execution to continue to do this. But then it can be scaled. There are roadmaps, and **you don't have to reinvent the wheel** to fast track your own path to revenue growth.

– Reese Ormand,  
CEO, Techvera

# Hire an Excellent Hunter First

**Your first hire should be a New Sales Rep.** Either outsource BDR activities or have your New Sales Rep find and call on their leads. You need to start scaling up MRR. And that requires a Hunter.

## Traits of a Great Hunter for an MSP

- Intelligent Fighter – Politely Persistent
- Resilient – Enjoys the Challenge
- Hunter Mentality – Lives for the Win
- Confident in Their Skills – Hint of Arrogance
- Empathetic – People Person
- Technology Savvy
- Charisma
- Tech Industry Experience
- Consistent Employment History – 2 to 3 Years Average Tenure
- Organized – Documents in Systems
- Presentable – Your Brand Ambassador



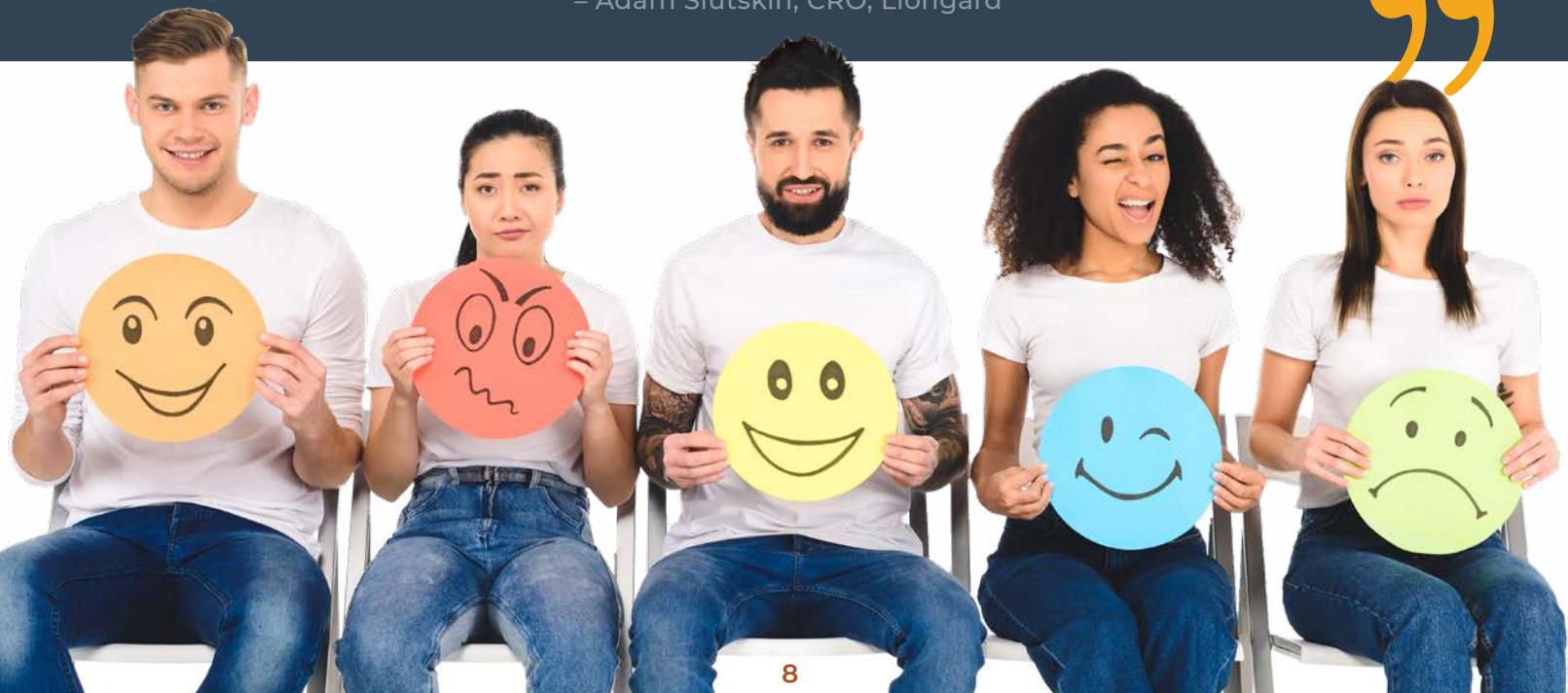
*Tip* Keep up a list of great Hunters you'd like to recruit. Salespeople get bored, so the average turnover for New Sales Reps at MSPs is around three years.



### **Lessons from High Performance Sales Teams**

Understand the personality type—the best reps are tough, a little arrogant, a lot confident, a little needy. Don't be afraid of that. **But they still have to be a cultural fit for your organization.** If they don't match your culture, don't hire them.

– Adam Slutskin, CRO, Liongard



# Where to Find New Sales Reps

**Here are the best sources** for recruiting New Sales Reps today, ranked roughly in order of importance:

- **LinkedIn:** The most important database for sales recruiting.
- **Employee Referral Program:** Employees are great judges of cultural fit.
- **Competitors:** Your organization gets stronger; your competitor gets weaker.
- **Vendors:** Understand the tech jargon and concept.
- **Internship Program:** BDRs can be shaped into great hunters.
- **Industry Events:** Often indicates MSP experience.
- **Facebook:** Great sales pros usually have friends in sales.

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## ***Lessons from High Performance Sales Teams***

You really need to be able to poach a good salesperson. **You need to be able to recruit from an existing organization**—oftentimes competitors or vendors—and nurture that person to offer them a better opportunity.

– Kam Atwall-Kaila, CEO, IT by Design

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**Tip**

If you find someone who's amazing but not experienced in tech and you have the time and resources to teach them, you can make a great hire. MSP leaders have discovered some of their best hunters by finding the right personality everywhere—from fast food drive-thrus to furniture stores.

# What Should You Expect During a New Sales Rep's Ramp Up?

**As a new Hunter gets accustomed to your business,** how do you know if they are making progress quickly enough? And when should you decide to let an underperformer go? Experience establishes client confidence.

## THE FIRST 90 DAYS

It will take a minimum of 90 days to build a book of business and fill a pipeline. During this time, **educate New Sales Reps** about your sales process and service differentiators. **Gauge performance** at this stage by activities—not closed sales—and make sure that's reflected in their sales objectives and compensation. **Measure the activities that lead to sales**, including calls, self-generated leads, first time appointments, opportunities, and proposals.

## 3-6 MONTHS

During this time, your Hunter should be closing some deals. **Monitor the PSA or CRM**, and if you don't see the pipeline coming together, **conduct deal reviews** to see where things are going wrong.

## MANAGING &amp; MOTIVATING SALES REPS



**6-9**  
MONTHS

After six months of slow performance, you might need to put the rep on a performance plan. **Kick reviews and mentoring into overdrive.** After nine months, it's time to consider letting them go.

*Tip*

Have you hired a killer New Sales Rep that is not good at process and lacks attention to detail? It could be worth creating a “deal desk” with a very organized person helping to support that Hunter.

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### ***Lessons from High Performance Sales Teams***

**DEFINE** ideal clients and develop your message to them. **INVEST** in marketing automation tools. **DEVELOP** content, a speaker resume, and book gigs. **BE BOLD** and get noticed by working with clients that fit. **INVEST** in Training and adopt a growth mindset.

– Reese Ormand, CEO, Techvera

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# Your Next Hire Should Be a Farmer

**You've found a great New Sales Rep** who is closing deals left and right. Your next investment should be in a talented Account Manager. Always invest in one of each role before adding another Hunter.

## Traits of a Great Account Manager for an MSP

- Nurturing Mentality
- Detail Oriented
- Strong Solutions Understanding
- Navigates the Organization Well
- Consistent Employment History
- Seeks to Understand
- Presentable
- Resilient to Keep Following up

*Tip* Never require Hunters to Farm—that doesn't leverage their strengths.

However, unsuccessful Hunters often make wonderful Farmers.

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### ***Lessons from High Performance Sales Teams***

I highly recommend hiring a dedicated Account Manager, but if you lack the budget to do so, don't be tempted to have your New Sales Rep pull double-duty. Instead, **CEOs can manage partner relationships or you can train your field techs or engineers** to fill the Account Manager role.

– Adam Slutskin, CRO, Liongard

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# How to Boost Revenue Through Account Management

**High performing sales teams** understand the value of Account Managers. MSPs can't scale if they lose as many clients as they bring in. Farmers protect the bottom-line by nurturing client relationships.

## Increase Client Retention

Client churn can really take a bite out of profitability. A regular cadence of customer communications and support will help identify at-risk clients and strengthen relationships. As your business grows, providing a dedicated Account Manager can pay big dividends in customer satisfaction.

## Upsell New Services

Farmers also contribute to growth by selling new services into your existing base. For MSPs, as much as 50% of the total revenue from a client can come from add-on sales. Incentivize Account Managers to stay in touch by giving them a quota and measurable activity goals.



## Upsell New Services

Farmers also contribute to growth by selling new services into your existing base. For MSPs, as much as 50% of the total revenue from a client can come from add-on sales. Incentivize Account Managers to stay in touch by giving them a quota and measurable activity goals.

**Tip** Hunters will naturally gravitate toward any low-hanging fruit. Referrals are easier to close than other leads. Train Farmers to work those deals and keep Hunters moving.



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### ***Lessons from High Performance Sales Teams***

We generate new revenue from current clients and we factor that in to our forecast. With a good client management system, you can drive net new MRR from your existing base, but you've also got to factor churn into your forecast. The industry average in our space is about 10%. Our target in 2020 is 5% attrition or less.

– George Mach, President & CEO, Apex IT Group

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**COMPENSATION**

# Design a Compensation Plan that Motivates

**High performing sales teams understand the value of Account Managers.** MSPs can't scale if they lose as many clients as they bring in. Farmers protect the bottom-line by nurturing client relationships.

## Average Compensation Targets for Sales Roles

### BUSINESS DEVELOPMENT REPS

*In-house:*

- Base salary of \$35,000 - \$40,000
- Total compensation of \$50,000 - \$70,000

*Outsource:*

- \$75,000 - \$90,000

### NEW SALES REPS

- Base salary of \$65,000 - \$90,000 – may be higher in expensive metros
- Base salary should be between 50-60% of total compensation
- Total compensation of \$125,000 - \$200,000

### ACCOUNT MANAGERS

- Base salary of \$35,000 - \$40,000
- Total compensation of \$50,000 - \$70,000

### TIPS:

- Don't pay residuals or annuities on renewals.
- Commission-only compensation rarely works for MSPs.
- Base salaries should leave sales pros wanting more, but not struggling to pay basic bills.



# Higher Commissions are Exciting, Not Scary

**If you hired a sales rep** that would create \$1.2M in new annual revenue, would you be willing to pay that person \$150,000 or \$200,000? You can drive that kind of growth using the simplest of compensation plans. For every \$1 of MRR created, pay your New Sales Rep \$1—the first-month billing.

Don't be reluctant to hand out big paydays when Hunters slay big dragons. If your best rep closes 2X or 3X quota, be ecstatic about paying 2X or 3X commissions. Your business is growing exponentially!

	Q1	Q2	Q3	Q4	Total
Quota	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$100,000.00
Actual Sold	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$100,000.00
Commission Rate	100.00%	100.00%	100.00%	100.00%	
Commissions Earned	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$100,000.00

Quota is based on "new" MRR sold for each quarter. A dollar is paid in commissions for each dollar of MRR sold.

Quarterly Bonus:	
100% - 110%	\$1,250
111% - 120%	\$2,500
121% - 130%	\$4,000
131% - 140%	\$5,000
141% +	\$7,500

Commissions on Non-Recurring Revenue	
Sold	\$25,000
Rate	5%
<b>Total</b>	<b>\$1,250</b>

Bonuses paid in addition to commissions earned for exceeding quota in Q4

Annual Bonus:	
100% - 110%	\$2,500
111% - 120%	\$3,500
121% - 130%	\$5,000
131% - 140%	\$7,500
141% +	\$10,000

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## Lessons from High Performance Sales Teams

You need to have an effective commission structure. We cannot reinforce this enough. Commission structures will make or break a salesperson. If they're happy with it, they'll stay, if they're unhappy with it, you won't be able to retain them for very long.

– Kam Atwall-Kaila, CEO, IT by Design

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# Reward Big Results with Big Bonuses

## Design Compensation around Quarterly Sales Cycles

Generally, the first month of a quarter has the fewest new deals and the last month has the strongest sales. A quarterly quota smooths out variations, and a quarterly bonus structure adds extra incentive four times each year.

# BONUS

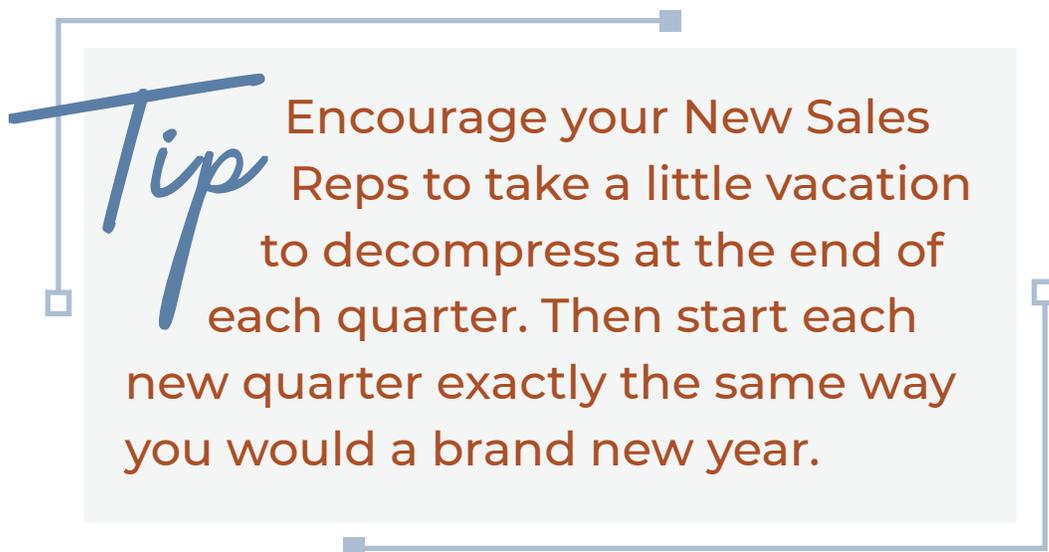
## Accelerator Bonuses

Quarterly and annual accelerator bonuses provide Hunters with extra motivation to push beyond and finish each quarter strong. A bonus should kick in at 100% of quota to reward good hard work. From there, the bonus should ramp up to keep New Sales Reps striving for one more deal.



## How to Adjust Compensation Plans

If your sales team fails to meet objectives across the board, lower quotas before morale craters and turnover spikes. Similarly, if they continuously blow out their goals, increase quotas to better align the compensation plan with the business. Explain any adjustment and don't penalize your team. For example, if you stop paying residuals, ease the transition with a short-term bonus.



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### ***Lessons from High Performance Sales Teams***

If you don't have a documented sales forecast, it's really hard to get your team productive and rallied around that goal, to hit those targets every week, every month, every quarter. And once you get behind, sometimes it's hard to catch up. It's better to stay disciplined and try to hit your targets at the times you set out.

– George Mach, President & CEO, Apex IT Group

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# STRENGTHEN ALIGNMENT

## BETWEEN SALES & ONBOARDING

**After each new sale,** there's a critical hand-off between the onboarding team that presents an opportunity to strengthen (or damage) your new client relationship. Create a positive experience with a smooth hand-off of client information to the onboarding team.

The New Sales Rep should introduce the client to the rest of the team, including the Account Manager. The introduction is where our charismatic Hunter says good-bye, and our detail-oriented, nurturing Farmer takes control of the relationship.

Liongard is committed to advancing IT industry knowledge and to helping MSPs automate essential processes such as continuous discovery and detection, automated documentation, updates and critical change alerts. With more process automation, MSPs are free to focus more time on scaling growth by building high performing sales teams.

Learn more about how to align the sales, onboarding, and account management processes, when you download our complimentary eBook,

# THANK YOU!

Our sincere thanks to these managed services sales experts who contributed tips and shared their experiences to help other MSPs get on the fast track to sales growth:

## **ADAM SLUTSKIN, CRO, LIONGARD**

Adam Slutskin has interviewed thousands and hired hundreds of sales, marketing, and sales operations colleagues while leading revenue teams that have closed hundreds of millions of dollars in business. He leads by example and strongly believes his experience in the U.S. Air Force / Military made him a better leader in his civilian career. At Liongard, he leads the worldwide sales and marketing strategy and teams and has helped the business quickly experience over significant growth by focusing on exceeding objectives, reducing all unproductive noise, and creating an environment where people are empowered and encouraged.

## **KAM ATWALL-KAILA, PRESIDENT, IT BY DESIGN**

Kam Attwal-Kaila is the President of IT by Design and Visionary of Build IT. Having been with the company since 2000, Kam is ITBD's Brand Ambassador and leads the company's Community, Marketing, and Communication Teams. With more than two decades of experience as a technology services provider—first as an MSP, and then for MSPs—IT by Design (ITBD) helps clients navigate the transforming technical landscape through a variety of solutions: dedicated staffing, 24x7x365 NOC services, helpdesk solutions, and professional services. Headquartered in New Jersey, ITBD has locations in India, Florida, and British Columbia.

**REESE ORMAND, CEO, TECHVERA**

Reese Ormand began his journey into the world of technology nearly twenty years ago, working as a technician for the company his father started, Geek on Wheels. As CEO of Techvera, Reese makes it his mission to Educate, Enable, and Empower clients so they can navigate the ever-changing IT landscape. Techvera provides turn-key IT management to small businesses throughout the Dallas-Fort Worth metro, enabling clients to focus on what they do best.

**GEORGE MACH, PRESIDENT & CEO, APEX IT GROUP**

George Mach is a seasoned IT executive and CISSP with extensive expertise in helping small, mid-market and enterprise companies accomplish business objectives through effective technology solutions. George recently completed the acquisition of all outstanding shares of Apex IT Group from outgoing partners assuming 100% ownership. Apex IT Group was founded in 2007 and has become a leader in managed IT services, IT project delivery, cloud computing, and cybersecurity solutions in the Greater Philadelphia Region.